

TOWN OF DAVIE TOWN COUNCIL AGENDA REPORT

TO: Mayor and Council Members

FROM/PHONE: Bill Underwood/797-1050
Document Prepared by: Bill Underwood/797-1050

SUBJECT: Resolution

AFFECTED DISTRICT: Town Wide

TITLE OF AGENDA ITEM: A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA, AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$16,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF TOWN OF DAVIE, FLORIDA GENERAL OBLIGATION BONDS, SERIES 2006, TO PAY COSTS OF A PORTION OF THE PROJECT DESCRIBED HEREIN AND COSTS OF ISSUANCE; PROVIDING THAT SUCH GENERAL OBLIGATION BONDS SHALL CONSTITUTE GENERAL OBLIGATIONS OF THE TOWN AND THAT THE FULL FAITH, CREDIT AND TAXING POWER OF THE TOWN SHALL BE IRREVOCABLY PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OF AND THE INTEREST ON SUCH GENERAL OBLIGATION BONDS; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; PROVIDING CERTAIN DETAILS OF THE BONDS; DELEGATING CERTAIN MATTERS IN CONNECTION WITH THE ISSUANCE OF THE BONDS TO THE MAYOR; AUTHORIZING THE NEGOTIATED SALE OF THE BONDS TO THE ORIGINAL PURCHASER; APPOINTING A PAYING AGENT AND A BOND REGISTRAR; APPROVING THE FORM AND EXECUTION OF A BOND PURCHASE AGREEMENT; PROVIDING FOR A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE EXECUTION OF AN OFFICIAL STATEMENT; AUTHORIZING OBTAINING A BOND INSURANCE POLICY AND ANY NECESSARY COVENANTS WITH RESPECT THERETO; COVENANTING TO PROVIDE CONTINUING DISCLOSURE IN CONNECTION WITH THE BONDS IN ACCORDANCE WITH SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 AND AUTHORIZING THE EXECUTION OF A COMMITMENT WITH RESPECT THERETO; AUTHORIZING A BOOK-ENTRY REGISTRATION SYSTEM FOR THE BONDS; AUTHORIZING CERTAIN OFFICIALS AND EMPLOYEES OF THE TOWN TO TAKE ALL ACTIONS REQUIRED IN CONNECTION WITH THE ISSUANCE OF SAID BONDS; AND PROVIDING AN EFFECTIVE DATE

REPORT IN BRIEF: At the regular Town Council meeting of June 21, 2006, The Town Council approved Resolution number 2006-177 selecting the bond underwriters, the Town's financial advisor, Dunlap & Associates, was authorized to engage various ancillary firms such as the printer for the official statement, paying agent, and registrar.

The attached resolution authorized the Town to issue the bonds within specified parameters, like the amount, the length of term of the bond, the underwriter, uses of the bond proceeds and other pertinent information.

PREVIOUS ACTIONS: Town Council previously approved resolution number R-2006-177 on June 21, 2006

CONCURRENCES: N/A

FISCAL IMPACT:

Has request been budgeted?

If yes, expected cost:

Additional Comments:

RECOMMENDATION(S): Motion to approve the resolution.

Attachment(s):

Resolution

RESOLUTION NO. R-2006-_____

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA, AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$16,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF TOWN OF DAVIE, FLORIDA GENERAL OBLIGATION BONDS, SERIES 2006, TO PAY COSTS OF A PORTION OF THE PROJECT DESCRIBED HEREIN AND COSTS OF ISSUANCE; PROVIDING THAT SUCH GENERAL OBLIGATION BONDS SHALL CONSTITUTE GENERAL OBLIGATIONS OF THE TOWN AND THAT THE FULL FAITH, CREDIT AND TAXING POWER OF THE TOWN SHALL BE IRREVOCABLY PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OF AND THE INTEREST ON SUCH GENERAL OBLIGATION BONDS; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; PROVIDING CERTAIN DETAILS OF THE BONDS; DELEGATING CERTAIN MATTERS IN CONNECTION WITH THE ISSUANCE OF THE BONDS TO THE MAYOR; AUTHORIZING THE NEGOTIATED SALE OF THE BONDS TO THE ORIGINAL PURCHASER; APPOINTING A PAYING AGENT AND A BOND REGISTRAR; APPROVING THE FORM AND EXECUTION OF A BOND PURCHASE AGREEMENT; PROVIDING FOR A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE EXECUTION OF AN OFFICIAL STATEMENT; AUTHORIZING OBTAINING A BOND INSURANCE POLICY AND ANY NECESSARY COVENANTS WITH RESPECT THERETO; COVENANTING TO PROVIDE CONTINUING DISCLOSURE IN CONNECTION WITH THE BONDS IN ACCORDANCE WITH SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 AND AUTHORIZING THE EXECUTION OF A COMMITMENT WITH RESPECT THERETO; AUTHORIZING A BOOK-ENTRY REGISTRATION SYSTEM FOR THE BONDS; AUTHORIZING CERTAIN OFFICIALS AND EMPLOYEES OF THE TOWN TO TAKE ALL ACTIONS REQUIRED IN CONNECTION WITH THE ISSUANCE OF SAID BONDS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on January 2, 2003, the Town Council (the “Council”) of the Town of Davie, Florida (the “Town”) adopted Resolution No. 2003-3 calling for a bond referendum (the “Referendum”) in conjunction with the general election on March 11, 2003 to submit to the

electorate of the Town a bond referendum to decide whether the Town should be authorized to issue not exceeding \$16,500,000 in principal amount of general obligation bonds (the “Bonds”) to pay costs of constructing and furnishing fire and rescue facilities, and the procurement of apparatus, equipment and technology, including the improvement of emergency management and terrorism preparedness (the “Project”); and

WHEREAS, at such general election on March 11, 2003, the issuance of the Bonds was approved by the qualified electors of the Town in accordance with the applicable laws of the State of Florida (the “State”); and

WHEREAS, on March 24, 2003, the Council accepted the certification by the Supervisor of Elections of Broward County, Florida of the results of such Referendum approving the issuance of the Bonds; and

WHEREAS, pursuant to the Constitution and laws of the State, including, without limitation, Article VII, Section 12 of the Constitution, Chapter 166, Florida Statutes, as amended, and the Town of Davie Charter (collectively, the “Act”), and the Referendum, the Town is duly authorized to issue the Bonds and pledge the ad valorem taxes levied by the Town to the payment of the Bonds; and

WHEREAS, the Council has determined that it serves a public purpose and is in the best interest of the Town to authorize at this time the issuance of not exceeding \$16,500,000 in aggregate principal amount of Bonds, to be issued to pay the costs of a portion of the Project and the costs of issuance of the Bonds, as more particularly described in this Resolution; and

WHEREAS, the Council has further determined that it is in the best interest of the Town to delegate as provided herein the determination of various terms of the Bonds, the final award of the Bonds, including execution of a Bond Purchase Agreement, whether to obtain bond insurance with respect to the Bonds and all other actions necessary or desirable in connection with the issuance of the Bonds, subject to the limitations contained herein; and

WHEREAS, for reasons more fully set forth herein, the Council finds and determines it to be in the best interest of the Town to authorize the sale of the Bonds on the basis of a negotiated sale rather than a public sale by competitive bid.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE TOWN OF DAVIE, FLORIDA:

SECTION 1. DEFINITIONS. In addition to the terms elsewhere defined in this Resolution, unless the context otherwise requires, the following terms as used in this Resolution shall have the following meaning:

“Authorized Depository” means any bank, trust company, national banking association, savings and loan association, savings bank or other banking association selected by the Town as a depository, which is authorized under Florida law to be a depository of municipal funds and which has complied with all applicable state and federal requirements concerning the receipt of Town funds.

“Bond Insurance Policy” means, as and if provided by the Mayor in the Mayor’s Certificate, the municipal bond insurance policy issued by a municipal bond insurance company in respect of the Bonds.

“Bond Purchase Agreement” means the Bond Purchase Agreement substantially in the form attached hereto as Exhibit “A” to be entered into between the Town and the Original Purchaser of the Bonds providing for the terms of the sale of the Bonds to such Original Purchaser.

“Bond Registrar” means U.S. Bank National Association, and any other agent designated from time to time by the Town, by resolution, to maintain the registration books for the Bonds issued hereunder or to perform other duties with respect to registering the transfer of the Bonds.

“Bondholder”, “holder” or “registered owner” means the person in whose name any Bond is registered on the registration books maintained by the Bond Registrar.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, and all temporary, proposed or permanent implementing regulations promulgated or applicable thereunder.

“DTC” means The Depository Trust Company, New York, New York, its successors and assigns.

“Finance Director” means the Director of the Department of Budget and Finance of the Town or his or her designee or the officer succeeding to his or her principal functions.

“Financial Advisor” means Dunlap & Associates, Inc., the financial advisor to the Town in connection with the issuance of the Bonds.

“Fiscal Year” means the period commencing on October 1 of each year and ending on the succeeding September 30, or such other consecutive 12-month period as may hereafter be designated as the fiscal year of the Town.

“Government Obligations” means:

(a) direct obligations of, or obligations guaranteed as to timely payment by, the United States of America;

(b) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (i) which are not callable prior to maturity or as to which irrevocable instructions have been given to the trustee of such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (ii) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or obligations of the character described in clause (a) hereof which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the

maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in subclause (1) of this clause (b), as appropriate, and (iii) as to which the principal of and interest on the obligations of the character described in clause (a) hereof which have been deposited in such fund along with any cash on deposit in such fund are sufficient to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (b) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (i) of this clause (b), as appropriate;

(c) evidences of indebtedness issued by the Federal Home Loan Banks, Federal Home Loan Mortgage Corporation (including participation certificates), Federal Financing Banks, or any other agency or instrumentality of the United States of America created by an act of Congress provided that the obligations of such agency or instrumentality are unconditionally guaranteed as to timely payment by the United States of America or any other agency or instrumentality of the United States of America or of any corporation wholly-owned by the United States of America; and

(d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described in (a) held by a bank or trust company as custodian.

“Intent Resolution” means Resolution No. 2003-105 adopted by the Council on April 15, 2003 declaring the official intent of the Town to issue the Bonds in accordance with the requirements of the Code.

“Mayor” means the Mayor of the Town or in his absence or inability to perform, the Vice Mayor of the Town.

“Mayor’s Certificate” means the Certificate to be executed by the Mayor prior to or at the time of the execution of the Bond Purchase Agreement, which certificate shall provide certain details of the Bonds as required under this Resolution.

“Official Statement” means that certain Official Statement with respect to the issuance of the Bonds, as such Official Statement shall be approved by the Mayor and the Town Administrator in accordance with the provisions of this Resolution.

“Original Purchaser” means J.P. Morgan Securities Inc., the original Purchaser of the Bonds.

“Outstanding” or “Bonds outstanding” means all Bonds which have been issued pursuant to this Resolution except:

(a) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity;

(b) Bonds for the payment or redemption of which cash funds or Government Obligations or any combination thereof shall have been theretofore irrevocably set aside in a special account with the Paying Agent or other Authorized

Depository, whether upon or prior to the maturity or redemption date of any such Bond, in an amount which, together with earnings on such Government Obligations, will be sufficient to pay the principal of and interest and redemption premium, if any, on such Bonds at maturity or upon their earlier redemption; provided that, if such Bonds are to be redeemed before the maturity thereof, notice of such redemption shall have been given according to the requirements of this Resolution or irrevocable instructions directing the timely giving of such notice and directing the payment of the principal of and interest on all Bonds at such redemption dates shall have been given to the Paying Agent;

(c) Bonds which are deemed paid pursuant to Section 5.G hereof; and

(d) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to this Resolution.

“Paying Agent” means U.S. Bank National Association, and any other agent which is an Authorized Depository, designated from time to time by the Town, by resolution, to serve as a Paying Agent for the Bonds issued hereunder that shall have agreed to arrange for the timely payment of the principal of, interest on and redemption premium, if any, with respect to the Bonds to the registered owners thereof, from funds made available therefor by the Town.

“Preliminary Official Statement” means the Preliminary Official Statement with respect to the issuance of the Bonds substantially in the form attached hereto as Exhibit “B”.

“Resolution” means this resolution authorizing the issuance of the Bonds, as amended from time to time to the extent permitted hereby.

“Town Attorney” means the Town Attorney of the Town or his or her designee.

“Town Administrator” means the Town Administrator or his or her designee or the officer succeeding to his or her principal functions.

“Town Clerk” means the Town Clerk or his or her designee or the officer succeeding to his or her principal functions.

Words in this Resolution importing singular numbers shall include the plural number in each case and vice versa, and words importing persons shall include firms, corporations or other entities including governments or governmental bodies. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

SECTION 2. FINDINGS AND DETERMINATIONS. It is hereby ascertained, determined and declared that:

A. The recitals to this Resolution are hereby incorporated herein as findings and determinations.

B. The Project consists solely of “capital projects” as such term is used in Article VII, Section 12 of the Constitution of the State of Florida and such improvements as authorized by the Referendum.

C. On April 15, 2003 the Council adopted the Intent Resolution.

D. Due to prevailing market conditions and the present volatility of the current interest rate environment, and the recommendation of the Financial Advisor that the sale of the Bonds be by negotiation, the sale of the Bonds on the basis of negotiated sale rather than a public sale by competitive bid is found to be in the best interest of the Town and is hereby authorized in order to permit the Town to enter the market at the most advantageous time and obtain the best possible price and interest rates for the Bonds.

SECTION 3. CONTRACT. In consideration of the acceptance of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Town, the Bondholders, the Bond Registrar, the Paying Agent and the provider of any Bond Insurance Policy. The covenants and agreements herein set forth to be performed by the Town shall be for the equal benefit, protection and security of the Bondholders and the provider of any Bond Insurance Policy, and all Bonds shall be of equal rank and without preference, priority or distinction over any other thereof, except as expressly provided herein.

SECTION 4. AUTHORIZATION OF THE BONDS; SALE AND AWARD OF THE BONDS.

A. Subject and pursuant to the provisions hereof, Bonds of the Town to be known as "Town of Davie, Florida, General Obligation Bonds, Series 2006" are hereby authorized to be issued at one time or as needed in an aggregate principal amount of not exceeding Sixteen Million Five Hundred Thousand Dollars (\$16,500,000), to pay the costs of a portion of the Project and costs of issuance of the Bonds, including the premium for any Bond Insurance Policy. The Mayor, upon the recommendations of the Finance Director and the Financial Advisor, and subject to the above limitations, shall determine the aggregate principal amount of the Bonds to be issued and may determine to issue the Bonds at one time or as needed, such determinations to be evidenced in the Mayor's Certificate.

B. The Council hereby approves the form of the Bond Purchase Agreement for the purchase of the Bonds by the Original Purchaser. Upon compliance by the Original Purchaser with the requirements of Florida Statutes, Section 218.385, the Mayor or the Town Administrator is each hereby authorized, subject to the parameters set forth herein and upon the recommendations of the Finance Director and the Financial Advisor, to award the Bonds to the Original Purchaser and to execute the Bond Purchase Agreement, in substantially the form presented at the meeting at which this Resolution was considered, subject to such changes, insertions and omissions and such filling-in of blanks therein as may be necessary to evidence the terms of the Bonds and such additional changes as may be approved by the Mayor, after consultation with Bond Counsel for the Town ("Bond Counsel") and the Town Attorney. The underwriting discount (which does not include original issue discount) for the Bonds shall be determined by the Mayor upon the recommendations of the Finance Director and the Financial Advisor, but shall not be more than 1% of the principal amount of the Bonds. The execution and delivery by the Mayor or the Town Administrator of the Bond Purchase Agreement for and on behalf of the Town shall be conclusive evidence of the approval of such officer and the Town of any such changes, insertions, omissions or filling-in of blanks.

SECTION 5. TERMS, REDEMPTION AND FORM OF BONDS.

A. The Bonds shall be issued as fully registered bonds in denominations of \$5,000 each or any integral multiple thereof and shall be numbered consecutively from 1 upward preceded by the letter "R". The principal of and redemption premium, if any, on the Bonds shall be payable upon presentation and surrender at the designated corporate trust office of the Paying Agent. Interest on the Bonds shall be paid by check or draft drawn upon the Paying Agent and mailed to the registered owners of the Bonds at the addresses as they appear on the registration books maintained by the Bond Registrar at the close of business on the 15th day (whether or not a business day) of the month next preceding the interest payment date (the "Record Date"), irrespective of any transfer or exchange of such Bonds subsequent to such Record Date and prior to such interest payment date, unless the Town shall be in default in payment of interest due on such interest payment date; provided, however, that (1) if ownership of Bonds is maintained in a book-entry only system by a securities depository, such payment may be made by automatic funds transfer (wire) to such securities depository or its nominee or (ii) if such Bonds are not maintained in a book-entry only system by a securities depository, upon written request of the holder of \$1,000,000 or more in principal amount of Bonds, such payments may be made by wire transfer to the bank and bank account specified in writing by such holder on or prior to the Record Date (such bank being a bank within the continental United States), if such holder has advanced to the Paying Agent the amount necessary to pay the cost of such wire transfer or authorized the Paying Agent to deduct the cost of such wire transfer from the payment due such holder. In the event of any default in the payment of interest, such defaulted interest shall be payable to the persons in whose names such Bonds are registered at the close of business on a special record date for the payment of such defaulted interest as established by notice deposited in the U.S. mails, postage prepaid, by the Paying Agent to the registered owners of the Bonds not less than fifteen (15) days preceding such special record date. Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business on the fifth day (whether or not a business day) preceding the date of mailing.

B. Prior to the issuance of the Bonds the Mayor shall execute the Mayor's Certificate, upon the recommendations of the Finance Director, Bond Counsel and the Financial Advisor, setting forth certain terms of the Bonds including, but not limited to: the dated date of the Bonds, interest payment dates, interest rates, but not to exceed 6% per annum, maturities, but not later than December 31, 2036, sinking fund installments, if any, and any redemption provisions. The Mayor's Certificate may also provide for any Bond Insurance Policy to be procured in connection with the issuance of the Bonds, based upon the recommendations of the Financial Advisor, and covenants of the Town in connection therewith, which covenants shall have the same effect as if included in this Resolution.

C. The Bonds shall be executed in the name of the Town by the Mayor and the official seal of the Town shall be imprinted, reproduced or lithographed on the Bonds and attested to by the Town Clerk. The signatures of the Mayor and the Town Clerk on the Bonds may be by facsimile. If any officer whose signature appears on the Bonds ceases to hold office

before the delivery of the Bonds, his signature shall nevertheless be valid and sufficient for all purposes. In addition, any Bond may bear the signature of, or may be signed by, such persons as at the actual time of execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond or the date of delivery thereof such persons may not have been such officers.

Only such of the Bonds as shall have endorsed thereon a certificate of authentication substantially in the form hereinafter set forth in Section 5.K hereof, duly manually executed by the Bond Registrar, shall be entitled to any right, benefit or security under this Resolution. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Bond Registrar, and such certificate of the Bond Registrar upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Resolution. The Bond Registrar's certificate of authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one time.

D. Any Bond may be transferred upon the registration books maintained by the Bond Registrar upon delivery thereof to the designated corporate trust office of the Bond Registrar accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Bond Registrar, duly executed by the Bondholder or his attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of such Bond, along with the social security number or federal employer identification number of such transferee. In all cases of a transfer of a Bond, the Bond Registrar shall at the earliest practical time in accordance with the terms hereof enter the transfer of ownership in the registration books and shall deliver in the name of the new transferee or transferees a new fully registered Bond or Bonds of the same maturity and interest rate and of authorized denomination or denominations, for the same aggregate principal amount and payable from the same source of funds. Bonds may be exchanged at the office of the Bond Registrar for a like aggregate principal amount of Bonds, of other authorized denominations of the same series, maturity and interest rate. The Town and the Bond Registrar may charge the Bondholder for the registration of every transfer or exchange of a Bond an amount sufficient to reimburse them for any tax, fee or any other governmental charge required (other than by the Town) to be paid with respect to the registration of such transfer or exchange, and may require that such amounts be paid before any such new Bond shall be delivered.

The Town, the Bond Registrar, and the Paying Agent may deem and treat the registered owner of any Bond as the absolute owner of such Bond for the purpose of receiving payment of the principal thereof and the interest and redemption premium, if any, thereon.

E. If any Bond is mutilated, destroyed, stolen or lost, the Town or its agent may, in its discretion (i) deliver a duplicate replacement Bond, or (ii) pay a Bond that has matured or is about to mature. A mutilated Bond shall be surrendered to and canceled by the Bond Registrar. The Bondholder must furnish the Town and the Bond Registrar proof of ownership of any destroyed, stolen or lost Bond; post satisfactory indemnity; comply with any reasonable conditions the Town and the Bond Registrar may prescribe; and pay the Town's and the Bond Registrar's reasonable expenses.

Any such duplicate Bond shall constitute an original contractual obligation on the part of the Town whether or not the destroyed, stolen or lost Bond be at any time found by anyone, and such duplicate Bond shall be entitled to equal and proportionate benefits and rights as to lien on, and source of payment of and security for payment from, the funds pledged to the payment of the Bond so mutilated, destroyed, or stolen or lost.

F. The Bonds shall be subject to redemption prior to their maturity at such times and in such manner as may be set forth in the Mayor's Certificate, based upon the recommendations of the Finance Director and the Financial Advisor. Notice of redemption shall be given by deposit in the U.S. mails of a copy of a redemption notice, postage prepaid, at least thirty (30) and not more than sixty (60) days before the redemption date to all registered owners of the Bonds or portions of the Bonds to be redeemed at their addresses as they appear on the registration books to be maintained in accordance with the provisions hereof. Failure to mail any such notice to a registered owner of a Bond, or any defect therein, shall not affect the validity of the proceedings for redemption of any Bond or portion thereof with respect to which no failure or defect occurred.

Such notice shall set forth the date fixed for redemption, the rate of interest borne by each Bond being redeemed, the name and address of the Bond Registrar and Paying Agent, the redemption price to be paid and, if less than all of the Bonds then outstanding shall be called for redemption, the distinctive numbers and letters, including CUSIP numbers, if any, of such Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any Bond is to be redeemed in part only, the notice of redemption which relates to such Bond shall also state that on or after the redemption date, upon surrender of such Bond, a new Bond or Bonds in a principal amount equal to the unredeemed portion of such Bond will be issued.

Any notice mailed as provided in this section shall be conclusively presumed to have been duly given, whether or not the owner of such Bond receives such notice.

In addition to the mailing of the notice described above, each notice of redemption and payment of the redemption price shall meet the requirements set forth in subparagraphs (i) and (ii) below; provided, however, that, notwithstanding any other provision of this Resolution to the contrary, failure to comply with the terms of this paragraph shall not in any manner defeat the effectiveness of a call for redemption if notice thereof is given as otherwise prescribed above in this Section 5.F.

(i) Each notice of redemption shall be sent at least thirty-five (35) days before the redemption date by registered or certified mail or overnight delivery service or telecopy to one or more registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

(ii) Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number

identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

The Bond Registrar shall not be required to transfer or exchange any Bond after the publication and mailing of a notice of redemption nor during the period of fifteen (15) days next preceding publication and mailing of a notice of redemption.

G. Notice having been given in the manner and under the conditions provided in the first three paragraphs of Section 5.F above, the Bonds or portions of Bonds so called for redemption shall, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption for such Bonds or portions of Bonds on such date. On the date so designated for redemption, moneys for payment of the redemption price being held in separate accounts by the Paying Agent or other Authorized Depository in trust for the registered owners of the Bonds or portions thereof to be redeemed, all as provided in this Resolution, interest on the Bonds or portions of Bonds so called for redemption shall cease to accrue, such Bonds and portions of Bonds shall cease to be entitled to any lien, benefit or security under this Resolution and shall be deemed paid hereunder, and the registered owners of such Bonds or portions of Bonds shall have no right in respect thereof except to receive payment of the redemption price thereof and, to the extent provided in the next subsection, to receive Bonds for any unredeemed portions of the Bonds.

H. In case part but not all of an outstanding fully registered Bond shall be selected for redemption, the registered owners thereof shall present and surrender such Bond to the Paying Agent for payment of the principal amount thereof so called for redemption, and the Town shall execute and deliver to or upon the order of such registered owner, without charge therefor, for the unredeemed balance of the principal amount of the Bonds so surrendered, a Bond or Bonds fully registered as to principal and interest.

I. Bonds or portions of Bonds that have been duly called for redemption under the provisions hereof, or as to which irrevocable instructions to call for redemption have been given by the Town, and with respect to which amounts (including Government Obligations) sufficient to pay the principal of, redemption premium, if any, and interest to the date fixed for redemption shall be delivered to and held in separate trust accounts by any Authorized Depository or the Paying Agent in trust for the registered owners thereof, as provided in this Resolution, shall not be deemed to be Outstanding under the provisions of this Resolution and shall cease to be entitled to any lien, benefit or security under this Resolution, except to receive the payment of the redemption price on or after the designated date of redemption from moneys deposited with or held by the Authorized Depository or Paying Agent, as the case may be, for such redemption of the Bonds and, to the extent provided in the preceding subsection, to receive Bonds for any unredeemed portion of the Bonds.

J. If the date for payment of the principal of, redemption premium, if any, or interest on the Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Town where the corporate trust office of the Paying Agent is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking

institutions are authorized to close, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

K. The text of the Bonds, the authentication certificate to be endorsed thereon and the form of assignment for such Bonds shall be substantially in the following form, with such omissions, insertions and variations as may be necessary or desirable and authorized by this Resolution or as may be approved and made by the officers of the Town executing the same, such execution to be conclusive evidence of such approval, including, without limitation, such changes as may be required for the issuance of uncertificated public obligations:

[Form of Bond]

No. R-_____

\$_____

UNITED STATES OF AMERICA
STATE OF FLORIDA
TOWN OF DAVIE, FLORIDA
GENERAL OBLIGATION BOND, SERIES 2006

Maturity Date

Interest Rate

Dated Date

Cusip No.

Registered Owner:

Principal Amount:

Dollars

The Town of Davie, Florida (hereinafter called the "Town"), for value received, hereby promises to pay to the Registered Owner identified above, or to registered assigns or legal representatives, to the extent and from the sources provided therefor, as described herein, on the Maturity Date identified above (or earlier as hereinafter provided), the Principal Amount identified above, upon presentation and surrender hereof at the designated corporate trust office of U.S. Bank National Association, in Fort Lauderdale, Florida, as the Paying Agent for the Bonds, or any successor Paying Agent appointed by the Town pursuant to the Resolution hereinafter referred to, and to pay, to the extent and from the sources herein described, interest on the principal sum from the date hereof, or from the most recent interest payment date to which interest has been paid, at the Interest Rate per annum identified above, until payment of the Principal Amount, or until provision for the payment thereof has been duly provided for, such interest being payable semiannually on the first day of April and the first day of October of each year, commencing on ____1, 200_. Interest will be paid by check or draft mailed to the Registered Owner hereof at his address as it appears on the registration books of the Town maintained by U.S. Bank National Association, as the Bond Registrar for the Bonds, at the close of business on the fifteenth (15th) day (whether or not a business day) of the month next preceding the interest payment date (the "Record Date"), irrespective of any transfer or exchange of such Bond subsequent to each Record Date and prior to such interest payment date, unless the Town shall be in default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the person in whose name such Bond is registered at the close of business on a special record date for the payment of such defaulted interest as established by notice by deposit in the U.S. mails, postage prepaid, by the Bond

Registrar to the Registered Owners of Bonds not less than fifteen (15) days preceding such special record date. Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business on the fifth (5th) day (whether or not a business day) preceding the date of mailing.

This Bond is one of an authorized issue of bonds in the aggregate principal amount of \$16,500,000 (the "Bonds") of like date, tenor and effect, except as to number, maturity and interest rate, issued to pay the costs of a portion of the Project (as defined in the Resolution) and costs of issuance of the Bonds, pursuant to the authority of and in full compliance with the Constitution and laws of the State of Florida, including particularly Article VII, Section 12 of the Constitution, Chapter 166, Florida Statutes, the Town of Davie Charter and Resolution No. R-2006-_____ adopted by the Town on July 19, 2006 (the "Resolution"), and other applicable provisions of law. This Bond is subject to all the terms and conditions of the Resolution, and capitalized terms not otherwise defined herein shall have the same meanings ascribed to them in the Resolution.

The full faith, credit and taxing power of the Town are pledged to the punctual payment of the principal of and interest on the Bonds, as the same shall become due and payable. Reference is made to the Resolution for the provisions, among others, relating to the terms and security for the Bonds, the custody and application of the proceeds of the Bonds, the rights and remedies of the holders of the Bonds, and the extent of and limitations on the Town's rights, duties and obligations, to all of which provisions the registered owner hereof assents by acceptance hereof.

The Bonds maturing __ 1, 20__ are subject to mandatory redemption prior to maturity, in part and selected by lot, at a redemption price of 100% of the principal amount thereof, on the following dates and in the following principal amounts:

<u>Date</u>	<u>Principal Amount</u>
-------------	-------------------------

\$

*

* Maturity.

The Bonds maturing on October 1, ____ and thereafter shall be further subject to redemption prior to their maturity, at the option of the Town on or after October 1, 20__, as a whole or in part at any time, and if in part as selected by the Town among maturities and by lot within a maturity, at the redemption prices (expressed as percentages of principal amount) set forth in the following table, plus accrued interest from the most recent interest payment date to the redemption date:

Redemption Periods (<u>Dates Inclusive</u>)	<u>Redemption Prices</u>
--	--------------------------

Notice of call for redemption is to be given by mailing a copy of the redemption notice by U.S. mail at least thirty (30) but not more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books maintained by the Bond Registrar, or any successor Bond Registrar appointed by the Town pursuant to the Resolution. Failure to give such notice by mailing to any Bondholder, or any defect therein, shall not affect the validity of the proceedings for the redemption of any Bond or portion thereof with respect to which no such failure or defect has occurred. All such Bonds called for redemption and for the retirement of which funds are duly provided will cease to bear interest on such redemption date.

This Bond may be transferred upon the registration books of the Town upon delivery thereof to the designated corporate trust office of the Bond Registrar accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Bond Registrar, duly executed by the registered owner of this Bond or by his attorney-in-fact or legal representative, containing written instructions as to the details of transfer of this Bond, along with the social security number or federal employer identification number of such transferee. In all cases of a transfer of a Bond, the Bond Registrar shall at the earliest practical time in accordance with the provisions of the Resolution enter the transfer of ownership in the registration books and shall deliver in the name of the new transferee or transferees a new fully registered Bond or Bonds of the same maturity and of authorized denomination or denominations, for the same aggregate principal amount and payable from the same source of funds. Bonds may be exchanged at the office of the Bond Registrar for a like aggregate principal amount of Bonds, of authorized denominations of the same series and maturity. The Town and the Bond Registrar may charge the owner of such Bond for the registration of every transfer or exchange of a Bond an amount sufficient to reimburse them for any tax, fee or any other governmental charge required (other than by the Town) to be paid with respect to the registration of such transfer or exchange, and may require that such amounts be paid before any such new Bond shall be delivered.

If the date for payment of the principal of, redemption premium, if any, or interest on this Bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Town where the corporate trust office of the Paying Agent is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

It is hereby certified and recited that this Bond is authorized by and is issued in conformity with the requirements of the Constitution and statutes of the State of Florida and the Resolution; that all acts, conditions and things required to exist, to happen, and to be performed precedent to the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Florida and the Resolution applicable hereto; that the issuance of the Bonds of this issue does not violate any constitutional or statutory limitation or provision; that due provision has been made for the levy

and collection of an annual tax, without limitation as to rate or amount, upon all taxable property within the corporate limits of the Town (excluding exemptions as provided by applicable law), in addition to all other taxes, sufficient to pay the principal of and interest on the Bonds as the same shall become due and payable, which tax shall be assessed, levied and collected at the same time and in the same manner as other taxes are assessed, levied and collected within the corporate limits of the Town; and that the full faith, credit and taxing power of the Town are pledged to the punctual payment of the principal of and interest, and redemption premium, if any, on the Bonds, as the same shall become due and payable.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication endorsed hereon shall have been manually signed by the Bond Registrar.

This Bond is and has all the qualities and incidents of, an investment security under the Uniform Commercial Code-Investment Securities Law of the State of Florida.

IN WITNESS WHEREOF, the Town of Davie, Florida, has issued this Bond and has caused the same to be signed by its Mayor and attested by its Town Clerk, either manually or with their facsimile signatures, and its seal to be affixed hereto or a facsimile of its seal to be reproduced hereon, all as of the Dated Date stated above.

TOWN OF DAVIE, FLORIDA

(SEAL)

By: _____
Mayor

ATTESTED:

By: _____
Town Clerk

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds designated in and executed under the provisions of the within mentioned Resolution.

U.S. Bank National Association, as Bond
Registrar

By: _____
Authorized Signatory

Date of Authentication:

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned (the "Transferor") hereby sells, assigns and transfers unto (the "Transferee")

PLEASE INSERT SOCIAL SECURITY
OR OTHER IDENTIFYING NUMBER OF TRANSFeree

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ as attorney to register the transfer of the within Bond on the books kept for registration and registration of transfer thereof, with full power of substitution in the premises.
Date:

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a member firm of any other recognized national securities exchange or a commercial bank or a trust company.

NOTICE: No transfer will be registered and no new Bond will be issued in the name of the Transferee, unless the signature(s) to this assignment correspond(s) with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer Identification Number of the Transferee is supplied.

[End of Form of Bond]

SECTION 6. APPLICATION OF BOND PROCEEDS. The proceeds, including accrued interest and premium, if any, received from the sale of the Bonds shall be applied by the Town, simultaneously with delivery of the Bonds, as follows:

A. Accrued interest, if any, shall be deposited in a separate account designated "Town of Davie 2006 General Obligation Bonds Principal and Interest Account" (the "Principal and Interest Account"), which is hereby established with the Paying Agent, who shall apply such moneys to pay interest on the Bonds as the same becomes due.

B. A portion of the proceeds of the Bonds as set forth in a certificate of the Finance Director delivered concurrently with the delivery of the Bonds (the "Proceeds Certificate") shall be deposited in a separate account designated "Town of Davie 2006 General Obligation Bonds Project Account", which is hereby established with the Town to be held in an Authorized Depository, and shall be disbursed to pay the costs of the Project, including reimbursement to the Town of funds advanced for such costs which may be reimbursed pursuant to the Code under the Intent Resolution. Any balance remaining after payment or provision for payment of such costs of Project shall be transferred to the Paying Agent for deposit in the Principal and Interest Account and used solely to pay principal of and interest on the Bonds.

C. The remainder of the proceeds as set forth in the Proceeds Certificate shall be deposited in a separate account designated "Town of Davie 2006 General Obligation Bonds Cost of Issuance Account", which is hereby established with the Town to be held in an Authorized Depository, and shall be disbursed for payment of expenses incurred in issuing the Bonds; provided, however, that any premium for a Bond Insurance Policy may be paid directly to the issuer thereof by the Original Purchaser from the proceeds of the Bonds. Any balance remaining after payment or provision for payment of such expenses has been made shall be transferred to the Paying Agent for deposit in the Principal and Interest Account and used solely to pay principal of and interest on the Bonds.

SECTION 7. INVESTMENT OF BOND PROCEEDS AND OTHER MONEYS. All proceeds of the Bonds and other moneys held under the provisions of this Resolution may be invested by the Town and, with respect to the Principal and Interest Account, shall be invested by the Paying Agent at the direction of the Finance Director, in such investments as are permitted by applicable law.

SECTION 8. LEVY OF AD VALOREM TAX; PAYMENT AND PLEDGE. In each Fiscal Year while any of the Bonds are Outstanding there shall be assessed, levied and collected an ad valorem tax, without limitation as to rate or amount, on all taxable property within the corporate limits of the Town (excluding exemptions as provided by applicable law), in addition to all other taxes, sufficient in amount to pay the principal of and interest on the Bonds as the same shall become due.

The tax assessed, levied and collected for the security and payment of the Bonds shall be assessed, levied and collected in the same manner and at the same time as other taxes are assessed, levied and collected and the proceeds of said tax shall be applied solely to the payment of the principal of and interest on the Bonds. On or before each interest or principal payment date for the Bonds, the Town shall transfer to the Paying Agent for deposit in the Principal and

Interest Account an amount sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds then due and payable and the Paying Agent is hereby authorized and directed to apply such funds to said payment.

The full faith, credit and taxing power of the Town are hereby irrevocably pledged to the punctual payment of the principal of, interest on and redemption premium, if any, with respect to the Bonds as the same shall become due and payable.

The Bondholders shall have a first lien on the taxes pledged hereunder (including the proceeds derived from the sale of tax certificates in the event of a delinquency in such payment of taxes) and the other monies, if any, on deposit in the funds and accounts created hereunder, including all earnings thereon.

The Town will diligently enforce its right to receive tax revenues and will diligently enforce and collect such taxes. The Town will not take any action that will impair or adversely affect its rights to levy, collect and receive said taxes, or impair or adversely affect in any manner the pledge made herein or the rights of the Bondholders.

SECTION 9. COMPLIANCE WITH TAX REQUIREMENTS. The Town hereby covenants and agrees, for the benefit of the holders from time to time of the Bonds, to comply with the requirements applicable to it contained in the Code to the extent necessary to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes. Specifically, without intending to limit in any way the generality of the foregoing, the Town covenants and agrees:

A. to pay to the United States of America from any legally available funds, at the times required pursuant to Section 148(f) of the Code, the excess of the amount earned on all nonpurpose investments (as defined in Section 148(f)(6) of the Code) over the amount which would have been earned if such non-purpose investments were invested at a rate equal to the yield on the Bonds, plus any income attributable to such excess (the "Rebate Amount");

B. to maintain and retain all records pertaining to and to be responsible for making or causing to be made all determinations and calculations of the Rebate Amount and required payments of the Rebate Amount as shall be necessary to comply with the Code;

C. to refrain from using proceeds from the Bonds in a manner that would cause the Bonds or any of them, to be classified as private activity bonds under Section 141 (a) of the Code; and

D. to refrain from taking any action that would cause the Bonds, or any of them, to become arbitrage bonds under Section 148 of the Code.

The Town understands that the foregoing covenants impose continuing obligations on the Town to comply with the requirements of the Code so long as such requirements are applicable.

SECTION 10. APPOINTMENT OF BOND REGISTRAR AND PAYING AGENT.

A. U.S. Bank National Association is hereby appointed the Bond Registrar and Paying Agent for the Bonds. The Finance Director, after consultation with the Town Attorney, is hereby authorized to enter into any necessary agreements in connection with the appointment of the Bond Registrar and Paying Agent.

B. The recitals of facts contained herein and in the Bonds shall be taken as the statements of the Town and neither the Bond Registrar nor the Paying Agent assumes any responsibility for the correctness of the same. Neither the Bond Registrar nor the Paying Agent makes any representation as to the validity or sufficiency of this Resolution or of any Bonds issued thereunder or as to the security afforded by this Resolution, and neither shall incur any liability in respect thereof. The Bond Registrar shall, however, be responsible for its representation contained in its certificate of authentication of the Bonds. The Paying Agent shall be entitled to rely upon the directions of the Finance Director in the investment of proceeds of the Bonds and other moneys under this Resolution and neither the Bond Registrar nor the Paying Agent shall be responsible with respect to the application of money paid by it in accordance with the provisions of this Resolution. Neither the Bond Registrar nor the Paying Agent shall be under any obligation or duty to take any action constituting enforcement of the covenants of the Town under this Resolution, which would involve it in expense or liability, or to institute or defend any suit in respect thereof, or to advance any of its own moneys, unless properly indemnified. Neither the Bond Registrar nor the Paying Agent shall be liable in connection with the performance of its duties hereunder except for its own negligence, misconduct or default.

C. The Town shall agree to pay the Bond Registrar and the Paying Agent reasonable compensation for all services rendered by each of them under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Resolution.

SECTION 11. PRELIMINARY OFFICIAL STATEMENT; OFFICIAL STATEMENT. The use of a Preliminary Official Statement in connection with the marketing of the Bonds is hereby authorized. The Preliminary Official Statement in substantially the form attached hereto as Exhibit "B" is hereby approved with such changes, insertions and omissions and such filling-in of blanks therein as may be approved by the Mayor or Town Administrator, after consultation with Bond Counsel and the Town Attorney. The Mayor or the Town Administrator is each hereby authorized to approve and execute, on behalf of the Town, an Official Statement relating to the Bonds substantially in the form of the Preliminary Official Statement, with such changes from the Preliminary Official Statement as the Mayor or the Town Administrator, after consultation with Bond Counsel and the Town Attorney, may approve, such execution to be conclusive evidence of such approval. The Mayor or the Town Administrator, after consultation with Bond Counsel and the Town Attorney, is hereby authorized to deem the Preliminary Official Statement final for the purposes of Rule 15c2-12 of the Securities and Exchange Council (the "Rule") and to execute a written certificate evidencing the same.

SECTION 12. CONTINUING DISCLOSURE.

(a) The Town covenants and agrees, in accordance with the provisions of, and to the degree necessary to comply with, the Rule, to provide or cause to be provided for the benefit of

the beneficial owners of the Bonds (the “Beneficial Owners”) to each nationally recognized municipal securities information repository (“NRMSIR”), and to the appropriate state information depository (“SID”), if any, designated by the State of Florida, the following annual financial information (the “Annual Information”), commencing with the Fiscal Year ended September 30, 2006:

(1) Updates of the information pertaining to the Town in the tables under the caption “AD VALOREM TAXATION”, in a form which is generally consistent with the presentation of such information in the Official Statement and updates of any other operating data included in the Official Statement to the extent not included in the audited financial statements of the Town referred to in (2) below.

(2) Audited financial statements with respect to the Town utilizing generally accepted accounting principles to local governments.

The information in paragraphs (1) and (2) above will be available for each Fiscal Year on or prior to July 1 following the end of such Fiscal Year, commencing July 1, 2007, and will be made available, in addition to each NRMSIR and SID, to each Beneficial Owner of the Bonds who requests such information in writing. The financial statements referred to in paragraph (2) above may be available separately from the information in paragraph (1) above and will be provided by the Town as soon as practical after acceptance of such statements from the auditors by the Town; if not available within nine (9) months after the end of the Fiscal Year, unaudited information will be provided in accordance with the time frame set forth above and audited financial statements will be provided as soon after such time as they become available.

(b) The Town agrees to provide or cause to be provided, in a timely manner, to (i) each NRMSIR or to the Municipal Securities Rulemaking Board (“MSRB”), and (ii) the SID, notice of the occurrence of any of the following events with respect to the Bonds, if such event is material:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- (7) modifications to rights of Bondholders or Beneficial Owners of the Bonds;
- (8) bond calls;

- (9) defeasance;
- (10) release; substitution or sale of any property securing repayment of the Bonds; and
- (11) rating changes.

(c) The Town also agrees to provide or cause to be provided, in a timely manner, to (i) each NRMSIR or to the MSRB, and (ii) the SID, notice of its failure to provide the Annual Information with respect to itself on or prior to July 1 following the end of the preceding Fiscal Year.

(d) Any filing with each Repository, described above, may be made (i) solely by transmitting such filing to the Texas Municipal Advisory Council (the “MAC”) as provided at <http://www.disclosureusa.org> unless the United States Securities and Exchange Commission (the “SEC”) has withdrawn the interpretive advice in its letter to the MAC dated September 7, 2004, or (ii) by filing the same with any dissemination agent or conduit, including any “central post office” or similar entity, assuming or charged with responsibility for accepting notices, documents or information for transmission to each Repository, to the extent permitted by the SEC or SEC staff or required by the SEC. For this purpose, permission shall be deemed to have been granted by the SEC staff if and to the extent the agent or conduit has received an interpretive letter, which has not been withdrawn, from the SEC staff to the effect that using the agent or conduit to transmit information to each Repository will be treated for purposes of the Rule as if such information were transmitted directly to each Repository.

(e) The obligations of the Town under this Section shall remain in effect only so long as the Bonds are Outstanding. The Town reserves the right to terminate its obligations to provide the Annual Information and notices of material events, as set forth above, if and when the Town no longer remains an “obligated person” with respect to the Bonds within the meaning of the Rule.

(f) The Town agrees that its undertaking pursuant to the Rule set forth in this Section 12 is intended to be for the benefit of the Beneficial Owners of the Bonds and shall be enforceable by such Beneficial Owners if the Town fails to cure a breach within a reasonable time after receipt of written notice from a Beneficial Owner that a breach exists; provided that any such Beneficial Owner’s right to obtain specific performance of the Town’s obligations under this Section in a federal or state court and any failure by the Town to comply with the provisions of this undertaking shall not be a default with respect to the Bonds.

(g) Additionally, the requirements of subsection (a) above do not necessitate the preparation of any separate annual report addressing only the Bonds. The requirements of subsection (a) may be met by the filing of an annual information statement or the Town’s Comprehensive Annual Financial Report, provided such report includes all of the required annual information and is available for each Fiscal Year on or prior to July 1 following the end of such Fiscal Year. Additionally, the Town may incorporate any information in any prior filing with each NRMSIR and the SID, if any, or included in any final Official Statement of the Town, provided such final Official Statement is filed with the Municipal Securities Rulemaking Board.

(h) The Town reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Town; provided that the Town agrees that any such modification will be done in a manner consistent with the Rule.

The Town's covenants as to secondary disclosure in compliance with the Rule as set forth above in this Section 12 (the "Covenants") may only be amended if:

- (1) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the Town or type of business conducted; the Covenants, as amended, would have complied with the requirements of the Rule at the time of award of the Bonds, after taking into account any amendments or change in circumstances; and the amendment does not materially impair the interests of the Beneficial Owners, as determined by Bond Counsel or other independent counsel knowledgeable in the area of federal securities laws and regulations; or
- (2) all or any part of the Rule, as interpreted by the staff of the Securities and Exchange Commission at the date of the adoption of this Resolution, ceases to be in effect for any reason, and the Town elects that the covenants shall be deemed amended accordingly.

Any assertion of beneficial ownership must be filed, with full documentary support, as part of the written request described above.

The Town Council further authorizes and directs the Finance Director to cause all other agreements to be made or action to be taken as required in connection with meeting the Town's obligations as to the Covenants. The Finance Director shall further be authorized to make such additions, deletions and modifications to the Covenants as he shall deem necessary or desirable after consultation with the Town Attorney and Bond Counsel.

SECTION 13. CONCERNING THE BOND INSURANCE POLICY. The Mayor may, after consultation with the Finance Director, Bond Counsel and the Town Attorney, provide in the Mayor's Certificate or by separate agreement covenants for the benefit of the provider of a Bond Insurance Policy, which covenants shall have the same effect as if included in this Resolution. The provider of any Bond Insurance Policy shall, so long as it has not defaulted in its obligations thereunder, be entitled to exercise all rights granted the Bondholders (i) in the event of a default by the Town hereunder or (ii) subject to the provisions of Section 15 hereof, in connection with the modification or amendment of this Resolution, in lieu of the Bondholders whose Bonds are insured by the Bond Insurance Policy.

SECTION 14. FURTHER AUTHORIZATIONS. The Mayor, the Town Administrator, the Finance Director, the Town Attorney and the Town Clerk, or any of them and such other officers and employees of the Town as may be designated by the Mayor or the Town Administrator are each designated as agents of the Town in connection with the issuance and delivery of the Bonds and are authorized and empowered, collectively or individually, to take all

actions and steps and to execute all instruments, documents and contracts on behalf of the Town, including, but not limited to, the procurement of the Bond Insurance Policy, that are necessary or desirable in connection with the execution and delivery of the Bonds, and which are specifically authorized or are not inconsistent with the terms and provisions of this Resolution or any action relating to the Bonds heretofore taken by the Town. Such officers and those so designated are hereby charged with the responsibility for the issuance of the Bonds.

SECTION 15. MODIFICATION OR AMENDMENT. After the issuance of the Bonds, no modification or amendment of this Resolution or of any resolution amendatory hereof or supplemental hereto materially adverse to the Bondholders may be made without the consent in writing of the registered owners of not less than a majority in aggregate principal amount of the Outstanding Bonds, but no modification or amendment shall permit a change (a) in the maturity of the Bonds or a reduction in the rate of interest thereon, (b) in the amount of the principal obligation of any Bond, (c) that would affect the unconditional promise of the Town to levy and collect taxes as herein provided, or (d) that would reduce such percentage of registered owners of the Bonds required above for such modifications or amendments, without the consent of all of the Bondholders. For the purpose of Bondholders' voting rights or consents, (i) the Bonds owned by or held for the account of the Town, directly or indirectly, shall not be counted and (ii) the provider of any Bond Insurance Policy shall, so long as it has not defaulted in its obligations thereunder, be deemed the owner of all the Bonds insured by such Bond Insurance Policy in lieu of the Bondholders, except that with respect to modifications or amendments described in clauses (a) through (d) above, the consent of all the Bondholders shall still be required.

SECTION 16. DEFEASANCE AND RELEASE. If, at any time after the date of issuance of the Bonds (a) all Bonds secured hereby or any maturity thereof shall have become due and payable in accordance with their terms or otherwise as provided in this Resolution, or shall have been duly called for redemption, or the Town shall have given irrevocable instructions directing the payment of the principal of, redemption premium, if any, and interest on such Bonds at maturity or at any earlier redemption date scheduled by the Town, or any combination thereof, (b) the full amount of the principal, redemption premium, if any, and the interest so due and payable upon all of such Bonds then Outstanding or any portion of such Bonds, at maturity or upon redemption, shall be paid, or sufficient moneys or Government Obligations maturing not later than the maturity or redemption dates of such principal, redemption premium, if any, and interest, which, together with the income realized on such investments, shall be sufficient (which sufficiency shall be verified by an independent certified public accountant selected by the Town) to pay all such principal, redemption premium, if any, and interest on said Bonds at the maturity thereof or the date upon which such Bonds are to be called for redemption prior to maturity, shall be held by an Authorized Depository or the Paying Agent in irrevocable trust for the benefit of such Bondholders (whether or not in any accounts created hereby), and (c) provision shall also be made for paying all other sums payable hereunder by the Town, including compensation due the Bond Registrar and the Paying Agent, then and in that case the right, title and interest of such Bondholders hereunder shall thereupon cease, determine and become void; otherwise, this Resolution shall be, continue and remain in full force and effect. Notwithstanding anything in this Section 16 to the contrary, however, the obligations of the Town under Section 9 hereof shall remain in full force and effect until such time as such obligations are fully satisfied.

SECTION 17. SEVERABILITY. If any one or more of the covenants, agreements or provisions of this Resolution shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of this Resolution or of the Bonds issued hereunder.

SECTION 18. NO THIRD PARTY BENEFICIARIES. Except as herein otherwise expressly provided, nothing in this Resolution expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the Town, the registered owners of the Bonds, the provider of any Bond Insurance Policy, the Bond Registrar and the Paying Agent, any right, remedy or claim, legal or equitable, under or by reason of this Resolution or any provision hereof, this Resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the Town, the registered owners from time to time of the Bonds, the provider of any Bond Insurance Policy, the Bond Registrar and the Paying Agent.

SECTION 19. CONTROLLING LAW; MEMBERS OF COUNCIL OR TOWN NOT LIABLE. This Resolution shall be governed by and construed in accordance with the laws of the State of Florida and all covenants, stipulations, obligations and agreements of the Town contained herein shall be deemed to be covenants, stipulations, obligations and agreements of the Town to the full extent authorized by the Act. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent, attorney, independent contractor or employee of the Council or the Town in his individual capacity, and neither the members of the Council nor any official executing the Bonds shall be liable personally on the Bonds or this Resolution or shall be subject to any personal liability or accountability by reason of the issuance or the execution by the Council or such members thereof.

SECTION 20. QUALIFICATION FOR THE DEPOSITORY TRUST COMPANY. Notwithstanding any other provision hereof, the Town, the Bond Registrar and the Paying Agent are hereby authorized to take such actions as may be necessary to qualify the Bonds for deposit with DTC, including but not limited to those actions as may be set forth in a letter agreement entered into by and between the Town and DTC, wire transfers of interest and principal payments with respect to the Bonds, utilization of electronic book-entry data received from DTC in place of actual delivery of Bonds and provisions of notices with respect to Bonds registered by DTC (or any of its designees identified to the Town, the Bond Registrar or the Paying Agent) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. The Mayor, Town Administrator and the Finance Director is each hereby authorized to execute and deliver any necessary agreement or other documents with DTC on behalf of the Town.

SECTION 21. EFFECTIVE DATE. This Resolution shall be effective immediately upon its adoption.

PASSED AND ADOPTED this 19th day of July, 2006.

(SEAL)

Mayor/Councilmember

ATTEST:

By: _____
Town Clerk

EXHIBIT “A”

Form of Bond Purchase Agreement

§ _____
TOWN OF DAVIE, FLORIDA
General Obligation Bonds, Series 2006

BOND PURCHASE AGREEMENT

July __, 2006

Town Council
Town of Davie, Florida
6591 Orange Drive
Davie, Florida 33314

Ladies and Gentlemen:

The undersigned, J.P. Morgan Securities, Inc., as underwriter (the “Underwriter”) hereby offers to enter into this Bond Purchase Agreement (the “Purchase Agreement”) with you as the governing body of the Town of Davie, Florida (the “Town” or the “Issuer”), for the purchase by the Underwriter and sale by the Town of the Town’s Bonds (herein defined) as specified herein. This offer is made subject to written acceptance by the Town prior to 5:00 P.M., Davie, Florida time on the date hereof, and upon such acceptance this Purchase Agreement shall remain in full force and effect in accordance with its terms and shall be binding upon the Town and the Underwriter.

The Town is issuing its General Obligation Bonds, Series 2006 in the aggregate principal amount of \$_____ (the “Bonds”). The Bonds are being issued for the purpose of (i) paying the costs of constructing and furnishing fire and rescue facilities, and the procurement of apparatus, equipment and technology, including the improvement of emergency management and terrorism preparedness (the “Project”), and (ii) paying the costs of issuance of the Bonds. The Bonds shall be dated the date of their issuance, the principal of the Bonds shall be payable on October 1 of each year and interest on the Bonds shall be payable on each October 1 and April 1, beginning _____ 1, 200__, bearing interest at the rates and having the redemption provisions set forth on Exhibit “C” attached hereto.

The Bonds shall constitute general obligations of the Town, and the full faith, credit and taxing power of the Town is pledged for the payment of the principal of, interest and redemption premium, if any, on the Bonds.

All capitalized terms used in this Purchase Agreement that are defined in the Resolution (hereinafter defined) and not defined herein shall have the respective meanings set forth in the Resolution.

1. **Purchase and Sale of Bonds.** Upon the terms and conditions and upon the basis of the representations, warranties and covenants herein set forth, the Underwriter hereby agrees to purchase from the Town for re-offering to the public, and the Town hereby agrees to sell to the Underwriter for such purpose all (but not less than all) of the aggregate principal amount of the Bonds, the Bonds being more fully described in the Preliminary Official Statement hereinafter identified and maturing on the dates and in the principal amounts and bearing interest at the rates and having the redemption provisions set forth on Exhibit "C" attached hereto. The purchase price for the Bonds, which shall be paid by the Underwriter in immediately available funds, shall be a price equal to \$_____ (representing the par amount of the Bonds of \$_____, [less net original issue discount][plus net original issue premium] of \$_____, less Underwriter's discount of \$_____). The Underwriter has been advised that the Bonds are being issued pursuant to the authority of and in full compliance with the Constitution and Laws of the State of Florida, including, without limitation, Article VII, Section 12 of the Constitution, Chapter 166, Florida Statutes, as amended, the Town's Charter, and other applicable provisions of Florida law (collectively the "Act"), a bond referendum of the qualified electors of the Town held on March 11, 2003 (the "Referendum") and Resolution No. 2006-_____ adopted by the Town Council on July 19, 2006 (the "Resolution"). The Underwriter agrees to reoffer the Bonds at the initial offering prices set forth in the Official Statement (as hereinafter defined). The Underwriter reserves the right to change such public offering price after the initial offering as it shall deem necessary in marketing the Bonds.

2. **Good Faith Check.** The Underwriter herewith delivers to the Town a corporate check payable to the Town, in the amount of \$_____, representing approximately 1% of the par amount of the Bonds as security for the performance by the Underwriter of its obligation to accept and pay for the Bonds at the Closing in accordance with the provisions of this Purchase Agreement. In the event the Town does not accept this offer, such check shall be returned to the Underwriter promptly. If this offer is accepted, such check shall be held by the Town uncashed in trust by the Town until the Closing and, concurrently with the delivery of and payment for the Bonds at the Closing, said check shall be returned to the Underwriter. In the event of the Town's failure to deliver the Bonds at the Closing, or if the Town shall be unable to satisfy the conditions precedent for the Underwriter to purchase and accept delivery of the Bonds as set forth in this Purchase Agreement, or if the obligation of the Underwriter with respect to the Bonds shall be terminated for any reason permitted by this Purchase Agreement, the Town shall return such check immediately to the Underwriter and such return shall constitute a full release and discharge of all claims by the Underwriter against the Town arising out of the transactions contemplated hereby. In the event the Underwriter fails (other than for a reason permitted hereunder) to accept and pay for the Bonds at the Closing as herein provided, said check shall be retained and cashed by the Town as full liquidated damages for such failure and for any and all defaults hereunder on the part of the Underwriter, and thereupon all of the Town's claims and rights hereunder against the Underwriter shall be fully released and discharged. The Underwriter and the Town understand that in such event the Town's actual damages may be greater or may

be less than such sum. Accordingly, the Underwriter hereby waives any right to claim that the Town's actual damages are less than such sum, and the Town's acceptance of this offer shall constitute a waiver of any right the Town may have to additional damages from the Underwriter.

3. **The Official Statement.** Prior to the date hereof, the Town has provided to the Underwriter for its review the Preliminary Official Statement dated _____, 2006 (the "Preliminary Official Statement"), that the Town deems final as of its date, except for certain permitted omissions in connection with the pricing of the Bonds as permitted by Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"). The Preliminary Official Statement with only such other changes therein as shall have been accepted by the Underwriter and Bond Counsel, and including the cover page and all appendices attached thereto, together with such amendments or supplements thereto as are adopted by the Town in accordance herewith subsequent to the date hereof, shall be herein called the "Preliminary Official Statement." The Town shall provide, or cause to be provided, at its expense, to the Underwriter at the time of the Town's acceptance of this Purchase Agreement or as soon as practicable thereafter (but, in any event, not later than seven (7) business days after the Town's acceptance of this Purchase Agreement and in sufficient time to accompany any confirmation that requests payment from any customer) copies of the final printed Official Statement (herein the "Final Official Statement"), complete as of its date of delivery to the Underwriter and in form reasonably satisfactory to the Underwriter in sufficient quantity to comply with the requirements of the Rule and the applicable rules of the Municipal Securities Rulemaking Board (the "MSRB"). The Town authorizes the Underwriter to use copies of the Final Official Statement, any amendments or supplements thereto, and the information contained therein, and copies of the Resolution in connection with the public offering and sale of the Bonds and the Town agrees not to supplement or amend, or cause to be supplemented or amended, the Final Official Statement or the Resolution at any time prior to the Closing, without the prior written consent of the Underwriter. The Town ratifies and approves the use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Bonds.

The Underwriter agrees to file the Final Official Statement with at least one Nationally Recognized Municipal Securities Information Repository ("NRMSIR") which has been so designated by the Securities and Exchange Commission pursuant to the Rule, or with the Texas Municipal Advisory Council (the "MAC"), as provided at <http://www.disclosureusa.org>, not later than two business days after the Closing, and will furnish a list of names and addresses of each NRMSIR, if any, receiving a copy to the Town. The filing of the Final Official Statement with each NRMSIR or with the MAC shall be in accordance with the terms and conditions applicable to each NRMSIR or the MAC, respectively. The Underwriter also agrees to file the Final Official Statement with the MSRB, in such number of copies and accompanied by such forms as are required by the MSRB, in accordance with Rule G-36 of the MSRB and shall maintain such books and records as required by Rule G-8 of the MSRB with respect to the filing of the Final Official Statement.

In order to assure compliance with the requirements of the Rule for the continuing disclosure to the public of information regarding the Town (for this purpose a/k/a the "Obligor") and the Bonds, the Town as part of the Resolution, has undertaken and covenanted in the

Resolution to comply with the Rule (the “Continuing Disclosure Covenant”). The requirements of the Continuing Disclosure Covenant are specified in the Resolution and generally described in the Preliminary Official Statement and the Final Official Statement. Failure by the Town to deliver a certified copy of the Resolution, at Closing will be grounds for the Underwriter to terminate this Purchase Agreement since failure to provide continuing disclosure covenants will cause the Underwriter to violate the Rule.

The Underwriter shall give notice to the Town on the date which is one day after the “end of the underwriting period,” as such term is defined in the Rule, and the date after which the Underwriter no longer remains obligated to deliver the Final Official Statement pursuant to paragraph (b)(4) of the Rule. For purposes of the foregoing, the Town shall be entitled to assume that the date of Closing is the “end of the underwriting period” unless otherwise notified in writing by the Underwriter.

4. Town Representations and Warranties. The Town represents to and agrees with the Underwriter that:

(a) the Preliminary Official Statement as of its date was deemed final, except for omissions allowed by the Rule, and the Final Official Statement, as of its date, and as it may be amended or supplemented at the date of delivery to the Underwriter and at the Closing, will, be true and correct in all material respects and the Preliminary Official Statement, except omissions allowed by the Rule, did not, and the Final Official Statement will not, and as it may be amended or supplemented at the date of delivery to the Underwriter and at the Closing, will not, to the best knowledge of the Town, contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. In addition, any amendments or supplements to the Final Official Statement prepared and furnished by the Town pursuant hereto, will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(b) from the date hereof, if, until the earlier of (i) 90 days from the end of the underwriting period or (ii) the time when the Final Official Statement is available to any person from a NRMSIR or the MAC (but in no case less than 25 days following the end of the underwriting period), any event occurs as a result of which, it may be necessary to amend or supplement the Final Official Statement in order to make the statements therein, in light of the circumstances under which they were made, not misleading, the Town shall notify the Underwriter and, if in the opinion of the Town or the Underwriter, such event requires the preparation and publication of an amendment or supplement to the Final Official Statement, the Town, at its expense (unless such amendment or supplement is a result of information provided by the Underwriter, then at the expense of the Underwriter), promptly will prepare an appropriate amendment or supplement thereto (and file, or cause to be filed, the same with a NRMSIR, the MAC or MSRB, if required) so that the statements in the Final Official Statement as so amended or supplemented will not, in light of the circumstances under which they were made, be misleading as to a material fact, in a form and in a manner approved by the Underwriter;

(c) the Town is and will be at the date of Closing duly organized and existing as a municipal corporation of the State of Florida, with the powers and authority of a Town as set forth in the Act;

(d) Each of Resolution No. 2003-03 adopted by the Town on July 2, 2003 and the resolution of the Town certifying the results of the Referendum (collectively, the "Referendum Resolution") and the Resolution was adopted by the Town Council at meetings duly called and held in open session upon requisite prior public notice pursuant to the laws of the State of Florida and the standing resolutions and rules of procedure of the Town Council. Each of the Referendum Resolution and the Resolution is in full force and effect and no portions thereof have been supplemented, repealed, rescinded or revoked, except as disclosed in the Final Official Statement. Pursuant to the Resolution, the Town irrevocably pledges its full faith, credit and taxing power for the payment of the principal of and interest on the Bonds. The Resolution further provides that in each year while any of the Bonds are outstanding, there shall be assessed, levied and collected a tax, without limitation as to rate or amount, on all taxable property within the corporate limits of the Town (excluding exemptions as provided by applicable law), in addition to all other taxes, sufficient in amount to pay the principal of, interest and redemption premium, if any, on the Bonds as the same shall become due (the "Ad Valorem Taxes"). No further approval of the qualified electors of the Town is required for the issuance of the Bonds;

(e) the Town has full legal right, power and authority to (i) adopt the Referendum Resolution and the Resolution, (ii) to enter into and assume its obligations under this Purchase Agreement, (iii) to sell, issue and deliver the Bonds to the Underwriter as provided herein, (iv) to perform its obligations under the Continuing Disclosure Covenant; (v) to execute and perform its obligations under the Bond Insurance Policy; and (vi) to execute and deliver the Final Official Statement and to perform its obligations as described therein; and the adoption of the Referendum Resolution and the Resolution, and compliance with the provisions of it under the circumstances contemplated hereby, do not and will not in any material respect conflict with or constitute on the part of the Town a breach of or default under any agreement or other instrument to which the Town is a party or any existing law, administrative regulation, court order or consent decree to which the Town is subject;

(f) by all necessary official action, the Town has: (i) duly adopted the Referendum Resolution and the Resolution, (ii) duly ratified and approved the prior distribution of the Preliminary Official Statement, (iii) duly authorized and approved the execution and delivery of the Final Official Statement, (iv) duly authorized and approved the execution and delivery of the Bonds, this Purchase Agreement, the Continuing Disclosure Covenant and the agreement between the Town and _____ (the "Insurer") relating to the Bond Insurance Policy (the "Insurance Agreement"), and the performance by the Town of the obligations on its part in connection with the issuance of the Bonds contained in the Bonds, the Resolution, this Purchase Agreement, the Continuing Disclosure Covenant, the Bond Insurance Policy and the Insurance Agreement, and (v) consummated all other transactions contemplated by this Purchase Agreement in connection with the issuance of the Bonds;

(g) the persons executing the Referendum Resolution, the Resolution, this Purchase Agreement, the Bonds, the Continuing Disclosure Covenant, the Insurance Agreement

and the Final Official Statement on behalf of the Town are authorized for and in the name of the Town to execute, deliver and perform the obligations of the Town under such documents and as contemplated by the Final Official Statement, and to execute, deliver, file or record such other incidental papers, documents and instruments as shall be necessary to carry out the intention and purposes of this Purchase Agreement and the Resolution;

(h) no authorization, approval, consent or license of any governmental body or authority, not already obtained, is required for the adoption of the Referendum Resolution and the Resolution and the valid and lawful execution and delivery by the Town of the Referendum Resolution, the Resolution, this Purchase Agreement, the Bonds, the Continuing Disclosure Covenant, the Insurance Agreement and the Final Official Statement, and the Town is not aware of any facts or circumstances that would prevent it from obtaining, in due course, any authorization, approval, consent or license of any governmental body or authority required for the valid and lawful performance of the obligations of the Town under the Resolution, this Purchase Agreement, the Bonds, the Continuing Disclosure Covenant or the Insurance Agreement, or as contemplated thereby;

(i) when delivered to and paid for by the Underwriter at the Closing in accordance with the provisions of this Purchase Agreement, the Bonds will have been duly authorized, executed, issued and delivered and will constitute valid and binding obligations of the Town in conformity with, and entitled to the benefit of, the respective provisions of the Act and the Resolution;

(j) the Town will advise the Underwriter promptly of any reason to amend, supplement or otherwise change the Final Official Statement prior to or at the Closing;

(k) the adoption of the Referendum Resolution and the Resolution and the execution and delivery by the Town of the Bonds, this Purchase Agreement, the Insurance Agreement and the Final Official Statement and performance of the Town thereunder does not constitute a material breach of or material default under, nor to the best knowledge of the Town, is the Town otherwise in material breach of or material default under, any applicable constitutional provision, laws, or administrative regulation of the State or the United States or any applicable judgment or decree, or any loan agreement, indenture, bond, note, or material ordinance, resolution, agreement or other material instrument to which the Town is a party or to which the Town or any of its property or assets is otherwise subject, and to the best knowledge of the Town, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a material default or event of default under any such instrument, except as disclosed in the Final Official Statement;

(l) as of the date hereof, except as specifically disclosed in the Final Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best knowledge of the officials of the Town, after having made due inquiry with respect thereto, threatened against the Town, affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the payment of the principal of and interest on the Bonds, or contesting or affecting as to the Town the validity or enforceability of the Act in any respect relating to authorization for

the issuance of the Bonds, the Referendum Resolution, the Referendum, the Resolution, this Purchase Agreement, the Continuing Disclosure Covenant or the Insurance Agreement, or contesting the completeness or accuracy of the Preliminary Official Statement or the Final Official Statement or any supplement or amendment thereto, or contesting the powers of the Town or its authority for the issuance of the Bonds, the adoption of the Referendum Resolution and the Resolution, or the execution and delivery by the Town of this Purchase Agreement, the Insurance Agreement or the Final Official Statement;

(m) the financial statements of the Town contained in the Final Official Statement have been prepared in accordance with generally accepted accounting principles applied on a consistent basis and present fairly the financial condition and results of the Town at the dates and for the periods set forth therein, and there are no material liabilities, contingent or otherwise, of the Town other than in the ordinary course of business, that are not disclosed in the Final Official Statement;

(n) there has been no material adverse change in the business, properties or financial condition of the Town from that shown in the financial statements for the period ended September 30, 200__, and the Town will not have incurred any long-term debt obligations secured by the Ad Valorem Taxes through the date of Closing, other than as described in the Final Official Statement;

(o) any certification signed by an official of the Town and delivered to the Underwriter shall be deemed a representation and warranty by the Town to the Underwriter as to the truth of the statements therein contained;

(p) the Town will not knowingly take or omit to take any action which action or omission will in any way cause the proceeds from the sale of the Bonds to be applied in a manner other than as provided in the Resolution;

(q) the Town has not been in default at any time after December 31, 1975 as to principal or interest with respect to any obligations issued or guaranteed by the Town or a predecessor of the Town, except as disclosed in the Final Official Statement;

(r) the Town has not been advised by the Commissioner, any District Director, or any other official of the Internal Revenue Service that certifications by the Town with respect to arbitrage may not be relied upon;

(s) the Town will apply the proceeds of the Bonds in the manner described in the Final Official Statement and the Arbitrage Certificate and will not take or omit to take any action that will in any way cause or result in the proceeds of the sale of the Bonds to be applied in a manner other than as described in the same;

(t) if between the date hereof and the date of the Closing the Town obtains knowledge of the occurrence of any event which would or might cause the information contained in the Final Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or

necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Town shall notify the Underwriter thereof, and if in the reasonable opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Final Official Statement, the Town will cooperate with the Underwriter in supplementing or amending the Final Official Statement (the printing of which will be at the expense of the Town) in such form and manner and at such time or times as may be reasonably called for by the Underwriter; and

(u) the Town is currently in compliance with its continuing disclosure undertakings pursuant to Rule 15c2-12(b)(5) of the Securities and Exchange Commission in connection with all outstanding bond issues for which the Town has agreed to undertake continuing disclosure obligations.

5. **Closing.** At 10:00 A.M., Davie, Florida time on _____, 2006 or at such other time or on such later date as mutually agreed upon by the Town and the Underwriter (the “Closing”), the Town will deliver or cause to be delivered to the Underwriter, at the office of the Town, 6591 Orange Drive, Davie, Florida 33314, or at such other place as mutually agreed upon, the Bonds in definitive form, duly executed and authenticated, together with the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price thereof in immediately available funds, to the order of the Town. Unless the Bonds are delivered pursuant to the FAST system, the Bonds will be made available for checking and packaging one business day prior to the Closing at the office of The Depository Trust Company, New York, New York (the “DTC”) or such other place as may be designated by the Underwriter. It is anticipated that CUSIP identification numbers will be printed on the Bonds, but the failure to print such number on any of the Bonds shall not constitute cause for failure or refusal by the Underwriter to accept delivery of and pay for the Bonds in accordance with the terms of this Purchase Agreement.

6. **Closing Conditions.** The Underwriter has entered into this Purchase Agreement in reliance upon the Town’s representations and agreements herein and the performance by the Town of the Town’s obligations hereunder, both as of the date hereof and as of the date of the Closing. The Underwriter’s obligations under this Agreement are and shall be subject to the following further conditions:

(a) the representations and warranties of the Town contained herein, to the best of its knowledge where applicable, shall be true, complete and correct on the date hereof and on and as of the date of Closing, as if made on the date of Closing;

(b) at the time of Closing, this Purchase Agreement, the Referendum Resolution, the Resolution, the Continuing Disclosure Covenant, the Insurance Agreement and the Final Official Statement shall be in full force and effect; this Purchase Agreement, the Referendum Resolution, the Resolution, the Continuing Disclosure Covenant, the Insurance Agreement and the Final Official Statement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter; and the Town shall have duly adopted and there shall be in full force and effect such other resolutions and

ordinances as, in the opinion of Adorno & Yoss, LLP, Miami, Florida, Bond Counsel, shall be necessary in connection with the transactions contemplated hereby;

(c) at or prior to Closing, the Underwriter shall have received fully executed originals, or copies, certified under seal of the official custodian of the records in which such documents are filed, of each of the following documents:

- (1) this Purchase Agreement;
- (2) the Referendum Resolution and the Resolution;
- (3) the Bond Insurance Policy and the Insurance Agreement between the Town and the Insurer;
- (4) sufficient copies of the Final Official Statement and each supplement or amendment, if any, thereto, manually executed on behalf of the Town by the appropriate Town Officers;
- (5) the approving opinion of Bond Counsel, dated the date of Closing, in the form included in the Final Official Statement. The delivery at Closing of the opinion of Bond Counsel will be conditioned upon receipt by Bond Counsel of all necessary or desirable certificates, representations and opinions in each case in a form acceptable to Bond Counsel, upon which Bond Counsel shall rely in rendering their opinion as to the tax-exempt status of the Bonds; such certificates, representations and opinions include, but are not limited to the following:

An "issue price" certificate from the Underwriter substantially to the effect: (a) that all of the Bonds have been the subject of a bona fide initial offering to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of Underwriter or wholesalers) at initial offering prices not greater than the prices shown on the cover of the Final Official Statement; (b) that at least 10 percent of each maturity of the Bonds was sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of Underwriter or wholesalers) at prices not greater than the respective prices shown on the cover of such Final Official Statement; and (c) that at the time the Underwriter agreed to purchase the Bonds, based on the prevailing market conditions, the Underwriter had no reason to believe any Bonds would initially be sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of Underwriter or wholesalers) at prices greater than the prices shown on the cover of the Final Official Statement for the respective maturity; provided, that nothing in said certificate shall be construed to limit the Underwriter's right to change the public offering price of the Bonds subsequent to the initial marketing thereof as the Underwriter deems necessary in connection with the marketing of the Bonds.

(6) a supplemental opinion of Bond Counsel addressed to the Underwriter to the effect that the Underwriter may rely upon the opinion of Bond Counsel referenced in paragraph (5) above and that the information in the Final Official Statement under the captions “INTRODUCTION,” “PURPOSE OF THE BONDS,” “THE BONDS,” (other than the information under the subheading “Book-Entry Only System” as to which no opinion is expressed) “SECURITY FOR THE BONDS,” “TAX TREATMENT”, [“ORIGINAL ISSUE DISCOUNT”], [“ORIGINAL ISSUE PREMIUM”], “LEGAL MATTERS” and “CONTINUING DISCLOSURE,” insofar as such information purports to be descriptions or summaries of the Referendum, the Resolution, the Bonds or the tax-exempt status of the Bonds, are accurate and fair statements or summaries of the matters set forth or documents referred to therein.

(7) an opinion, dated the date of the Closing and addressed to the Town, Bond Counsel and the Underwriter, of the Town Attorney, substantially in the form attached hereto as Exhibit “D”;

(8) a certificate, dated the date of Closing, signed by the Finance Director of the Town and the Town Manager to the effect that: (i) the representations of the Town herein, to the best of the Town’s knowledge, where applicable, are true and correct in all material respects as of the date of Closing; (ii) to the best of their knowledge, the Town has performed all obligations to be performed hereunder as of the date of Closing; (iii) except as disclosed in the Final Official Statement, no litigation is pending or threatened (A) affecting or seeking to prohibit, restrain or enjoin the sale, the issuance or delivery of the Bonds, (B) in any way contesting or affecting the validity or enforceability of the Act in any respect relating to the authorization for the issuance of the Bonds, the Referendum Resolution, the Referendum, the Resolution or this Purchase Agreement, (C) in any way contesting the existence or powers of the Town or its authority for the issuance of the Bonds, the adoption of the Referendum Resolution or the Resolution or the execution and delivery of this Purchase Agreement, the Insurance Agreement or the Final Official Statement, and (D) which may result in any material adverse change in the business, properties, assets or the financial condition of the Town or (E) asserting that the Final Official Statement contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (iv) since September 30, 200___, no material and adverse change has occurred in the financial position or results of operations of the Town except as set forth in or contemplated by the Final Official Statement; (v) the Town has not, since September 30, 200___, incurred any long-term debt obligations secured by the Ad Valorem Taxes or incurred any material liabilities other than in the ordinary course of business, or as set forth in or contemplated by the Final Official Statement; (vi) the Final Official Statement did not as of its date, and does not as of the date of Closing, contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purposes for which the Final Official Statement is to be used, or which is necessary in order to make the statements contained therein, in light of the circumstances in which they were made, not misleading (except that they make no representation with respect to the information under the captions “THE BONDS - BOOK-ENTRY ONLY SYSTEM” and “MUNICIPAL BOND INSURANCE”); and (vii) the Town has not been in default at any time after December 31, 1975 as to principal or interest with respect to any obligations issued or guaranteed by the Town or a predecessor of the Town, except as disclosed in the Final Official Statement.

(9) such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter or Bond Counsel may reasonably request to evidence compliance by the Town with legal requirements, the truth and accuracy, as of the time of closing, of the Town's representations herein contained and the performance or satisfaction by the Town at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Town;

(10) the opinion of Ruden, McClosky, Smith, Schuster & Russell, P.A., counsel for the Underwriter, addressed to the Underwriter, to the effect that (i) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolution is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; and (ii) based upon their review of the Continuing Disclosure Covenant, the requirements of the Rule have been satisfied;

(11) a certificate signed by Dunlap & Associates, Inc., the financial advisor to the Town that (i) the Final Official Statement has been authorized by the Town; and (ii) in their participation in the preparation of the Preliminary Official Statement and the Final Official Statement, nothing has come to their attention which would lead them to believe that the information in the Preliminary Official Statement and the Final Official Statement as of its date and as of the date of delivery of the Bonds contains or contained any untrue statements of a material fact or omits or omitted to state a material fact which should be included therein for the purpose for which the Preliminary Official Statement and the Final Official Statement is intended to be used, or which is necessary to make the statements contained therein, in light of the circumstance under which they were made, not misleading; provided, however, they shall not be required to express any opinion with regard to the information contained in the Final Official Statement under the captions, "THE BONDS - BOOK-ENTRY ONLY SYSTEM," "MUNICIPAL BOND INSURANCE," "TAX TREATMENT," ["ORIGINAL ISSUE DISCOUNT"] ["ORIGINAL ISSUE PREMIUM"] and "LEGAL MATTERS";

(12) evidence that the Bonds have been rated not less than "Aaa" by Moody's Investors Services, Inc. ("Moody's), and "AAA" by Standard & Poor's Rating Services ("S&P"), based on an insurance policy provided by the Insurer, and such ratings are in effect as of the date of Closing In addition, the Underwriter shall receive evidence that [Moody's and S&P] have assigned the Bonds underlying ratings of __ and __, respectively;

(13) an executed copy of the Blanket Letter of Representations to the Depository Trust Company;

(14) a customary certificate of an authorized representative of the Insurer dated the date of the Closing, in form and substance reasonably satisfactory to the Underwriter and addressed to the Town and the Underwriter;

(15) the opinion of counsel to the Insurer, dated the date of the Closing, in form and substance reasonably satisfactory to the Underwriter and addressed to the Town and the Underwriter;

(16) a certificate of the Town Mayor, dated as of the date of closing, setting forth facts, estimates and circumstances concerning the use or application of the proceeds of the Bonds, and stating in effect that on the basis of such facts, estimates and circumstances in existence on the date of Closing, it is not expected that the proceeds of the Bonds will be used in a manner that would cause such Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the “Code”);

(17) a certificate of the Town Mayor deeming the Preliminary Official Statement “final” as of its date for purposes of the Rule, except for permitted omissions (the Rule 15c2-12 Certificate);

(18) an approving opinion relating to the Bonds, dated the date of the Closing and addressed to the Town, of Adorno & Yoss, LLP, Miami, Florida, Disclosure Counsel to the Town (“Disclosure Counsel”), in form and substance reasonably satisfactory to the Town and the Underwriter, to the effect that, in their capacity as Disclosure Counsel, they have participated in the preparation of the Final Official Statement, and that, during the course of such participation, nothing has come to their attention to lead them to believe that the Final Official Statement, as of its date or as of the date hereof, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading (excluding therefrom the financial statements and the reports, financial and statistical data and forecasts included therein, and the information contained in the Final Official Statement under the captions, “THE BONDS - BOOK-ENTRY ONLY SYSTEM,” and “MUNICIPAL BOND INSURANCE,” as to which no opinion need be expressed);

(19) a reliance letter from Disclosure Counsel, dated the date of the Closing and addressed to the Underwriter, confirming that the Underwriter may rely on the opinion of Disclosure Counsel referenced in paragraph (18) above;

(20) such additional legal opinions, certificates and other documents as the Underwriter may reasonably request, to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the Town’s representations and warranties contained herein and of the statements and information contained in the Final Official Statement and the due performance or satisfaction by the Town on or prior to the Closing Date of all the agreements then to be performed and conditions then to be satisfied by it.

If the Town shall be unable to satisfy the conditions to the Underwriter’s obligations contained in this Purchase Agreement or if the Underwriter’s obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Town nor the Underwriter shall have further obligations hereunder, except that the amount of the check referred to in Section 2 hereof, shall be returned to the Underwriter and the costs set forth in Section 9 herein shall be paid in accordance with said section.

7. **Termination.** The Underwriter shall have the right to cancel its obligations under this Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds, by notifying the Town in writing of its election to do so, if, between the date hereof and the Closing: (i) legislation shall have been introduced in or enacted by the Congress of the United States, or passed by either House of Congress or recommended to the Congress for passage by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Mayor or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or favorably reported for passage to either House of Congress by any Committee of such House to which such legislation has been referred for consideration, or legislation pending in the Congress of the United States shall be amended, or any public announcement by any member of Congress of the United States regarding pending new legislation affecting tax exempt bonds, or legislation introduced in or enacted by the legislature of the State of Florida, or a decision shall have been rendered by a court of the United States or the State of Florida, including the Tax Court of the United States, or a ruling shall have been made or a regulation or other announcement shall have been proposed or made or a press release or other form of notice shall have been issued by the Treasury Department of the United States or the Internal Revenue Service or other Federal or State of Florida authority with respect to Federal or State of Florida taxation upon revenues or other income of the general character to be derived by the Town or by any similar body or upon interest on obligations of the general character of the Bonds, which may have the purpose or effect, directly or indirectly, of affecting the tax status of the Town, its property or income, its securities (including the Bonds) or the interest thereon, or any tax exemption granted or authorized by the State of Florida and which, in the Underwriter's reasonable judgment, materially adversely affects the market for the Bonds or the market price generally of obligations of the general character of the Bonds, or which, in the opinion of counsel for the Underwriter has, or will have, the effect of making such interest subject to inclusion in gross income for purposes of federal income taxation, except to the extent such interest shall be includable in gross income on the date hereof; or (ii) there shall exist any event which, in the Underwriter's reasonable judgment, either (A) makes untrue or incorrect in any material respect any statement or information contained in the Preliminary Official Statement and the Final Official Statement or (B) is not reflected in the Preliminary Official Statement and the Final Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect or (C) there shall have occurred an event under (t) of Section 4 hereof not disclosed in the Final Official Statement, which event in the Underwriter's reasonable judgment, adversely affects the marketability of the Bonds or the market price at which the Underwriter is offering the Bonds or has offered the Bonds; or (iii) there shall have occurred any outbreaks of hostilities, material escalation of existing hostilities or other national or international calamity or crisis, financial or otherwise, the effect of such outbreaks, escalation, calamity, or crisis on the financial markets of the United States being such as, in the Underwriter's reasonable judgment, would make it impracticable for the Underwriter to sell the Bonds or otherwise materially adversely affect the ability of the Underwriter to market the Bonds at offering prices that do not differ significantly from the intended offering prices (it being agreed to by the parties hereto that no such hostilities, calamity or crisis was occurring as of the date hereof which had a material effect upon the marketability of the Bonds); or (iv) there shall have occurred a general suspension of trading on the New York Stock Exchange (the "Exchange") or limited, minimum or maximum prices for trading shall

have been fixed and be in force, or maximum ranges for bonds shall have been required and be in force on the Exchange, whether by virtue of a determination by the Exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction; or (v) a general banking moratorium shall have been declared by either federal, New York or Florida authorities having jurisdiction and be in force; or (vi) legislation shall have been enacted, or actively considered for enactment with an effective date prior to the Closing, or a decision by a court of the United States shall have been rendered, the effect of which is that the Bonds, including any underlying obligations, or the Resolution, as the case may be, are not exempt from the registration, qualification or other requirement of the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; or (vii) a stop order, ruling, regulation or official statement by the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering or sale of the Bonds, including any underlying obligations, or the execution and delivery of the Resolution as contemplated hereby or by the Final Official Statement is or would be in violation of any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and then in effect; or (viii) any ratings of the Town shall have been downgraded by Standard & Poor's Rating Services ("S&P") or Moody's Investors Services, Inc. ("Moody's") or Fitch Ratings ("Fitch") and such action, in the opinion of the Underwriter, will materially adversely affect the marketability of the Bonds or the market price thereof; or (ix) there has been an adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the Town, in either case other than in the ordinary course of its business or as disclosed in the Final Official Statement, and such action will, in the opinion of the Underwriter, materially adversely affect the marketability of the Bonds or the market price thereof or the Town has, without the prior written consent of the Underwriter, offered or issued any bonds, notes or other obligations for borrowed money, or incurred any material liabilities, direct or contingent, other than as described in the Final Official Statement, in either case payable from the Ad Valorem Taxes; or (x) an order, decree or injunction of any court of competent jurisdiction, or any order, ruling, regulation or administrative proceeding by any governmental body or board, shall have been issued or commenced, or any legislation enacted, with the purpose or effect of prohibiting the issuance, offering or sale of the Bonds as contemplated hereby or by the Final Official Statement, or prohibiting the adoption of the Resolution or the performance of the Town's obligations under the Resolution; or (xi) the State of Florida shall take any action or threaten to take any action which shall question the existence or powers of the Town; or (xii) the President of the United States, the Office of Management and Budget, the Department of Treasury, the Internal Revenue Service or any other governmental body, department, agency or commission of the United States or the State shall take or propose to take any action or implement or propose regulations, rules or legislation, legally within his or its power, which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Bonds or causes any material information in the Final Official Statement, in light of the circumstances under which it appears, to be omitted or misleading in any material respect; or (xiii) any executive order shall be announced, or any legislation, ordinance, rule or regulation shall be proposed by or introduced in, or be enacted by any governmental body, department, agency or commission of the United States or the State of

New York, having jurisdiction over the Town and the subject matter, or a decision by any court within the United States or federal court within the State of New York, having jurisdiction over the Town and the subject matter, shall be rendered which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Bonds or causes any information in the Final Official Statement to be misleading in any material respects; or (xiv) prior to Closing (A) either S&P, Moody's, or Fitch, as applicable, shall inform the Issuer or the Underwriter that the Bonds will not be rated at least "AAA", "Aaa," or "AAA" respectively, based on the issuance of the Bond Insurance Policy, or (B) the Insurer shall fail to deliver the Bond Insurance Policy.

8. **Amendments and Supplements.** After the Closing, and until the earlier of (i) 90 days from the end of the underwriting period or (ii) the time when the Final Official Statement is available to any person from a NRMSIR (but in no case less than 25 days following the end of the underwriting period), if any event shall occur as a result of which it is necessary, in the opinion of Bond Counsel, the Town Attorney or the Underwriter, to amend or supplement the Final Official Statement in order to make the Final Official Statement not misleading in light of the circumstances existing at the time it was delivered to a purchaser, the Town, at its expense (unless the amendment or supplement is a result of information provided by the Underwriter), shall forthwith prepare and furnish to the Underwriter a reasonable number of copies of an amendment of or supplement to the Final Official Statement (in form and substance satisfactory to Bond Counsel and the Town Attorney and the Underwriter) which will amend or supplement the Final Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances existing at the time the Final Official Statement is delivered to a purchaser, not misleading. For the purpose of this Section, the Town will furnish to the Underwriter such information the Underwriter may from time to time reasonably request.

9. **Expenses.** All of the Town's expenses and costs incident to the performance of the Town's obligations in connection with the authorization, issuance and sale of the Bonds to the Underwriter, including the costs of printing and preparation for printing and distributing the Bonds, the Resolution, adequate amounts of the Preliminary and Final Official Statement (including any amendment or supplement thereto) and fees and disbursements of Bond Counsel, Disclosure Counsel and other attorneys, accountants, financial advisors, consultants, and experts retained by the Town, shall be paid by the Town. Except as indicated in this paragraph, all out-of-pocket expenses of the Underwriter, including its travel, Underwriter's Counsel and other expenses, shall be paid by the Underwriter.

10. **Notices.** Any notice or other communication to be given to the Town under this Purchase Agreement may be given by delivering the same in writing at the Town's address set forth above to the attention of the Town Administrator and any such notice or other communication to be given to the Underwriter may be given by delivering the same in writing to J.P. Morgan Securities Inc., 5201 Blue Lagoon Drive 8th Floor, Miami, Florida 33126, Attention: Percy R. Aguila, Jr., Vice President.

11. **Parties In Interest.** This Purchase Agreement is made solely for the benefit of the Town and the Underwriter (including the successor or permitted assigns thereof) and no other person, partnership, association or corporation shall acquire or have any right hereunder or by

virtue hereof. This Purchase Agreement may not be assigned by the Underwriter unless either the Town consents thereto or such assignment is made pursuant to a merger, consolidation or transfer of all or substantially all the assets of the Underwriter. All representations and agreements by the Town in this Purchase Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of any payment of the Bonds.

12. **Document Approval.** The approval of the Underwriter when required hereunder or the determination of its satisfaction as to any document referred to herein shall be in writing signed by an authorized representative of J.P. Morgan Securities, Inc.

13. **Underwriter's Representation.**

(a) J.P. Morgan Securities, Inc. has been duly authorized to execute this Purchase Agreement and such firm has been duly authorized to act hereunder and shall have full authority to take such action as it may deem advisable with respect to all matters pertaining to this Purchase Agreement.

(b) The Underwriter hereby represents to the Town that it is registered under the Securities Exchange Act of 1934, as amended as a municipal securities dealer and is, and at all times during the offer and sale of the Bonds will be, a member of the National Association of Securities Dealers ("NASD"), and is or will be licensed, to the extent required by applicable law, to offer and sell the Bonds in each jurisdiction in which it offers to sell the Bonds, and, is or will be in compliance with the rules and regulations of the NASD and other regulatory agencies with jurisdiction over it or any of its activities.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

14. **Truth-In-Bonding and Disclosure Statement.** Attached hereto as Exhibit “A” is the Truth-In-Bonding Statement required by Section 218.385(2) and (3), Florida Statutes, as amended and as Exhibit “B” the disclosure statement of the Underwriter required by Section 218.385(6), Florida Statutes, as amended.

Very truly yours,

J.P. MORGAN SECURITIES INC.

By: _____
Its: _____

Accepted:
Town of Davie, Florida

By: _____
Mayor

Date: _____

ATTEST: Clerk

By: _____
Clerk

Approved as to form and legal sufficiency

By: _____
Town Attorney

EXHIBIT “A”

TRUTH-IN-BONDING DISCLOSURE STATEMENT

1. The Town of Davie, Florida (the “Town”) is proposing to issue its \$_____ General Obligation Bonds, Series 2006 (the “Bonds”) for the purpose of (i) paying the Cost of a portion of the Project, and (ii) paying the costs of issuance of the Bonds. This debt or obligation is expected to be repaid over a period of approximately ____ years. At a true interest rate of _____%, total interest paid over the life of the debt or obligation will be \$_____.

2. The source of repayment for the Bonds consists primarily of the Ad Valorem Taxes levied by the Town. Authorizing the Bonds will result in an average annual debt service payment of approximately \$_____ of the Town’s Ad Valorem Taxes being levied, however such Ad Valorem Taxes would not be available to finance the other services of the Town each year for approximately ____ years.

3. The foregoing statement is prepared pursuant to the Florida Statutes for information purposes only and shall not affect or control the actual terms and conditions of the Bonds.

EXHIBIT "B"

**DISCLOSURE STATEMENT
REQUIRED BY FLORIDA STATUTES SECTION 218.385**

**TOWN OF DAVIE, FLORIDA
General Obligation Bonds, Series 2006**

1. The Underwriter has estimated the various expenses incurred and to be incurred in connection with the issuance of the above-captioned Bonds by the Underwriter designated in the Bond Purchase Agreement, dated the date hereof, between the Town of Davie, Florida (the "Town") and the Underwriter. Such expenses are detailed in the attached Schedule A.

2. No person or persons have any understanding regarding promised compensation or consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the Town and the Underwriter or to exercise or attempt to exercise any influence to effect any transaction in the purchase of the captioned Bonds.

3. The underwriting spread (i.e., the difference between the price at which the captioned Bonds will be initially offered to the public by the Underwriter and the price to be paid to the Town for the Bonds, exclusive of accrued interest in both cases) will be \$_____ or _____% of the principal amount of the Bonds.

4. The underwriting spread set forth in paragraph 3 above does not include a management fee.

5. The Underwriter's Average Takedown of \$___/1000, equivalent to \$_____.

6. The Management Fee is \$___/1000, equivalent to \$_____.

7. The Underwriter's Expenses of \$___/1000, equivalent to \$_____.

8. No fee, bonus or other compensation will be paid by the Underwriter in connection with the Bonds to any person not regularly employed or retained by the Underwriter (including "finder" as defined in Section 218.386(1)(a), Florida Statutes), except Underwriter's Counsel, Ruden, McClosky, Smith, Schuster & Russell, P.A., as shown on Schedule A hereto and as otherwise disclosed in the Final Official Statement.

9. The name and address of the Underwriter is:

J.P. Morgan Securities Inc.
5201 Blue Lagoon Drive, 8th Floor
Miami, Florida 33126
Attention: Percy R. Aguila, Jr., Vice President

Respectfully submitted,
J.P. Morgan Securities, Inc.

By:_____

SCHEDULE A
to
DISCLOSURE STATEMENT
REQUIRED BY FLORIDA STATUTES SECTION 218.385

TOWN OF DAVIE, FLORIDA
General Obligation Bonds, Series 2006

<u>LISTING OF ESTIMATED EXPENSES</u>		<u>Amount</u>
1.	Legal Fees & Expenses	\$
2.	CUSIP Fee	
3.	DTC	
4.	Day Loan	
5.	Munifacts / EOE	
6.	Travel and Out-of-Pocket	
7.	Bond Market Association	
TOTAL EXPENSES		

EXHIBIT “C”

TOWN OF DAVIE, FLORIDA
\$ _____
General Obligation Bonds, Series 2006

Maturity Schedule

\$ _____ Serial Series 2006 Bonds

<u>Maturity Date</u> <u>October 1</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Initial CUSIP</u> <u>Number</u>
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\$ _____ % Term Series 2006 Bonds Maturing _____, 20____ Priced at _____% Initial
CUSIP Number

Redemption Provisions

EXHIBIT “D”

August __, 2006

Town of Davie, Florida
Davie, Florida

Adorno & Yoss, LLP
Miami, Florida

J.P. Morgan Securities Inc.
New York, New York

Re: \$16,500,000 Town of Davie, Florida General Obligation Bonds, Series 2006

Ladies and Gentlemen:

I am Town Attorney for the Town of Davie, Florida (the “Town”) and have served in such capacity in connection with the issuance of the above-captioned bonds (the “Bonds”) and related transactions. This opinion is furnished pursuant to the Bond Purchase Agreement dated August __, 2006 (the “Purchase Agreement”) between the Town and J.P. Morgan Securities Inc., as underwriter of the Bonds (the “Underwriter”). All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Purchase Agreement.

The Office of the Town Attorney has examined such documents and instruments as we deemed necessary to render the requested opinion, including the following:

- a) The Constitution and Laws of the State of Florida, including, without limitation, Article VII, Section 12 of the Constitution, Chapter 166, Florida Statutes, as amended, the Town’s Charter, and other applicable provisions of Florida law (collectively the “Act”);
- b) Resolution No. 2006-_____ adopted by the Town Council on July 19, 2006 (the “Bond Resolution”);
- c) Resolution No. 2003-3 adopted by the Town Council on January 2, 2003 (the “Referendum Resolution”);
- d) The Insurance Agreement, dated as of August __, 2006 (the “Insurance Agreement”), between the Town and _____ (the “Bond Insurer”);
- e) The Official Statement, dated August __, 2006 (the “Official Statement”) relating to the Bonds.

Based upon examination of the above documents and other documents and matters of law as the Office of the Town Attorney has determined relevant for the purposes of rendering this opinion, and subject to the reservations set forth herein, I am of the opinion that:

1. The Town is a municipal corporation of the State of Florida, duly created and organized and validly existing under the Constitution and laws of the State of Florida.

2. The Town is authorized by the laws of the State of Florida to pledge the full faith, credit and taxing power of the Town to the Bonds, to execute and deliver the Bonds, the Purchase Agreement and the Insurance Agreement (collectively, the "Town Documents"), and the Official Statement, and to perform its obligations under the Town Documents or as described therein.

3. The Bonds are payable from ad valorem taxes levied without limitation as to rate or amount on all taxable property within the Town, sufficient to pay the principal of, interest and redemption premium, if any, on the Bonds.

4. Except for the Referendum, no additional referenda are required by applicable law to permit the Town to issue the Bonds.

5. The Town has the right and power under the Act to adopt the Bond Resolution and the Referendum Resolution, and the Bond Resolution and the Referendum Resolution have been duly adopted and have not been amended or repealed, and remain in full force and effect. The execution and delivery by the Town of the Bonds, the Town Documents and the Official Statement, and the performance of its obligations thereunder or as described therein, for and in the name of the Town, have been duly authorized by the Town. The Bond Resolution creates a valid pledge of ad valorem taxes to the payment of the Bonds.

6. The Town has duly authorized the distribution of the Preliminary Official Statement by the Underwriter, has duly approved and executed the Official Statement and has duly authorized the distribution thereof by the Underwriter in connection with the public offering of the Bonds.

7. The Bonds, the Town Documents and the certificates of the Town delivered on this date have been duly authorized, executed and delivered by the Town and constitute valid and legally binding obligations of the Town enforceable against the Town in accordance with their respective terms. The Bond Resolution, the Referendum Resolution and the Town Documents are in full force and effect and have not been modified, amended or repealed except as disclosed in the Official Statement.

8. To the best of my knowledge, after reasonable inquiry, no authorization, approval, consent, license or other action of any court or public or governmental or regulatory authority having jurisdiction over the Town that has not been obtained is or

will be required for enactment and adoption of the Bond Resolution and the Referendum Resolution, the issuance and sale of the Bonds or the valid and lawful authorization, execution and delivery of, or consummation by the Town of the other transactions contemplated by, the Town Documents and the Official Statement; provided, however, no opinion is provided under federal securities laws and “blue sky” or securities laws of any state.

9. To the best of my knowledge, after reasonable inquiry, the enactment and adoption by the Town of the Bond Resolution and the Referendum Resolution and the execution and delivery by the Town of the Town Documents and the Official Statement and compliance on the Town’s part with the provisions contained or described therein, will not conflict with, violate or constitute a material breach of or a default under (a) any existing law, court or administrative regulation, judgment, order or decree, or (b) any commitment, mortgage, lease, indenture, agreement, contract or instrument to which the Town is a party or by which it or any of its properties is bound.

10. To the best of my knowledge, after reasonable inquiry, the Town is not on the date hereof in default under any instrument to which the Town is subject or by which it or its properties are or may be bound or subject, which default would (i) have a material adverse effect on the condition of the Town, financial or otherwise (other than as disclosed in the Official Statement) or (ii) otherwise materially affect its ability to perform its obligations under the Bond Resolution or the Town Documents.

11. To the best of my knowledge, after reasonable inquiry, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by the Circuit Court of the State of Florida in and for Broward County, Florida or in the United States District Court for the Southern District of Florida or any other court, governmental agency, public board or body for which the Town has received actual notice, pending or, to the best of my knowledge, after due investigation, threatened against the Town (i) which in any way affects, contests, questions or seeks to restrain or enjoin any of the following: (A) the powers or valid existence of the Town or the titles of the members of the Town Council or its other officers to their respective offices; (B) any of the proceedings had or actions taken leading up to the sale, issuance and delivery of the Bonds or the execution, delivery or performance of the Purchase Agreement; or (C) the delivery, validity or enforceability of the Bonds, the Bond Resolution, the Referendum Resolution or any of the Town Documents, the pledge of ad valorem taxes, or the power of the Town to undertake or consummate the transactions contemplated therein and in the Official Statement; (ii) which contests in any way the completeness or accuracy of the Official Statement; or (iii) wherein an unfavorable decision, ruling or finding would materially and adversely affect the validity or enforceability of the Bond Resolution, the Referendum Resolution, the Referendum or the Town Documents; or (iv) which would have a material adverse effect upon the operations of the Town.

12. Based on my participation in the preparation of the Official Statement, nothing has come to my attention that would lead me to believe that the Official Statement contains any untrue statement of a material fact or omits to state any material

fact necessary to make the statements therein, in light of the circumstances under which they are made, not misleading (excluding the financial statements and financial and statistical data included therein, as to which no view is expressed, and the information therein under the captions “THE BONDS—Book-Entry Only System” and “MUNICIPAL BOND INSURANCE”, as to which no view is expressed).

All opinions as to the enforceability of the legal obligations of the Town set forth herein are subject to and limited by bankruptcy, insolvency, reorganization, moratorium, and similar laws in each case relating to or affecting the enforcement of creditors’ rights generally, and subject to the enforceability thereof, to the exercise of judicial discretion in accordance with the general principles of equity.

I am qualified to practice law in the State of Florida and for the purpose of this opinion, I do not purport to be an expert on, or to express an opinion herein concerning, the laws of any other jurisdiction (including any such laws which may be applicable by virtue of the application of the choice of law provisions under Florida law) except the laws of the United States to the extent set forth herein.

No one, other than the addressees named above, is entitled to rely upon the statements made, and conclusions expressed, within this opinion.

Very truly yours,

OFFICE OF THE TOWN ATTORNEY

By: _____
Monroe Kiar, Esquire

EXHIBIT “B”

Form of Preliminary Official Statement

PRELIMINARY OFFICIAL STATEMENT DATED JULY __, 2006

NEW ISSUE: Book-Entry Only

**RATINGS: Moody's: Aaa
Standard & Poor's: AAA
Fitch: AAA
(__ Insured)**

In the opinion of Bond Counsel, assuming continuing compliance by the Town with certain tax covenants, under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on certain corporations under the Internal Revenue Code of 1986, as amended (the "Code"). See "TAX TREATMENT" for a description of certain provisions of the Code that may affect the federal tax treatment of interest on the Bonds for certain owners thereof. Bond Counsel is further of the opinion that the Bonds and the interest thereon are exempt from all present intangible personal property taxes imposed pursuant to Chapter 199, Florida Statutes.

\$16,500,000*
TOWN OF DAVIE, FLORIDA
General Obligation Bonds, Series 2006

Dated: Date of Delivery

Due: October 1, as shown below

The Bonds (the "Bonds") will be initially delivered in book-entry form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as securities depository for the Bonds. Purchasers will not receive certificates representing their ownership interest in the Bonds purchased. Interest on the Bonds will accrue from the dated date and is payable semiannually on October 1, 2006 and each April 1 and October 1 thereafter. See "THE BONDS--Book-Entry Only System. U.S. Bank National Association, with a designated corporate trust office in Fort Lauderdale, Florida, is acting as Paying Agent and Bond Registrar for the Bonds.

The Bonds are being issued to provide funds to (i) pay the costs of a portion of the Project (as defined herein) and (ii) pay the costs of issuance of the Bonds, including a premium for municipal bond insurance.

In each year in which the Bonds are outstanding there shall be assessed, levied and collected a tax, without limitation as to rate or amount, on all taxable property within the Town (excluding exemptions as provided by applicable law) sufficient in amount to pay the principal of and interest and redemption premium, if any, on the Bonds as the same become due. Such tax shall be assessed, levied and collected in the same manner and at the same time as other Town taxes are assessed, levied and collected. THE FULL FAITH, CREDIT AND TAXING POWER OF THE TOWN HAVE BEEN PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST AND REDEMPTION PREMIUM, IF ANY, ON THE BONDS.

Payment of the principal of and interest on the Bonds when due will be insured by a financial guaranty insurance policy to be issued by _____ simultaneously with the delivery of the Bonds.

[Insert Logo]

The Bonds are subject to redemption as provided in this Official Statement. See "THE BONDS-Redemption Provisions."

MATURITIES, AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS

\$ _____ Serial Bonds

<u>Maturity</u> <u>(October 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u>
---------------------------------------	-----------------------------------	--------------------------------	--------------	--------------

\$ _____	% Term Bonds due October 1,	_____	Yield	% CUSIP	_____
\$ _____	% Term Bonds due October 1,	_____	Yield	% CUSIP	_____
\$ _____	% Term Bonds due October 1,	_____	Yield	% CUSIP	_____

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The Bonds are offered when, as and if issued and accepted by the Underwriter subject to the approval of legality by Adorno & Yoss, LLP, Miami, Florida, Bond Counsel. Certain legal matters will be passed upon for the Town by Monroe Kiar, Esq., Town Attorney, and Adorno & Yoss, LLP, Miami, Florida, as Disclosure Counsel. Certain legal matters will be passed upon for the Underwriter by Ruden, McClosky, Smith, Schuster & Russell, P.A., Fort Lauderdale, Florida. Dunlap & Associates, Inc., Winter Park, Florida, has served as Financial Advisor to the Town in connection with the issuance of the Bonds. It is expected that the Bonds, in book-entry form, will be available for delivery through the facilities of DTC in New York, New York, on or about August __, 2006.

J.P. Morgan Securities, Inc.

Dated: August __, 2006

* Preliminary; subject to change.

TOWN OF DAVIE, FLORIDA

MAYOR/COUNCIL MEMBER

Tom Truex

COUNCIL MEMBERS

Bryan Caletka

Michael Crowley

Judy Paul

Susan Starkey

ACTING TOWN ADMINISTRATOR

Kenneth S. Cohen

FINANCE DIRECTOR

William F. Underwood, II

TOWN ATTORNEY

Monroe Kiar, Esq.

BOND COUNSEL AND DISCLOSURE COUNSEL

Adorno & Yoss, LLP

Miami, Florida

AUDITORS

Grau & Company, Certified Public Accountants

Boca Raton, Florida

FINANCIAL ADVISOR

Dunlap & Associates, Inc.

Winter Park, Florida

No dealer, broker, salesman or other person has been authorized by the Town, the Underwriter or the Bond Insurer to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell nor the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Town of Davie, Florida and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Underwriter. The information and expressions of opinion stated herein are subject to change without notice. The delivery of this Official Statement shall not, under any circumstances, create any implication that there has been no change in the matters described herein since the date hereof.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

No registration statement relating to the Bonds has been filed with the Securities and Exchange Commission (the "SEC") or with any state securities agency. The Bonds have not been approved or disapproved by the SEC or any state securities agency, nor has the SEC or any state securities agency passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH BONDS OFFERED HEREBY AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE TOWN FOR PURPOSES OF RULE 15C2-12 ISSUED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR CERTAIN INFORMATION PERMITTED TO BE OMITTED PURSUANT TO RULE 15C2-12(B)(1).

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OFFICIAL STATEMENT RELATING TO

\$16,500,000*

TOWN OF DAVIE, FLORIDA General Obligation Bonds, Series 2006

INTRODUCTION

The purpose of this Official Statement, including the cover page and all appendices, is to furnish information with respect to the issuance and sale by the Town of Davie, Florida (the "Town") of \$16,500,000* aggregate principal amount of General Obligation Bonds, Series 2006 (the "Bonds").

On January 2, 2003, the Town Council of the Town (the "Council") adopted Resolution No. 2003-3 calling for a referendum relating to the issuance of not to exceed \$16,500,000 (the "Authorized Amount") of the Town's general obligation bonds to pay costs of constructing and furnishing fire and rescue facilities, and the procurement of apparatus, equipment and technology, including the improvement of emergency management and terrorism preparedness (the "Project"). An election was held on March 11, 2003 at which the issuance of the Bonds was approved by the electorate.

The Bonds are being issued pursuant to Resolution No. 2006-___ adopted by the Council on July 19, 2006 (the "Resolution") and the Constitution and laws of the State of Florida, including, without limitation, Article VII, Section 12 of the Constitution, Chapter 166, Florida Statutes, as amended, and the Town of Davie Charter, as amended (collectively, the "Act").

The Bonds will be payable from ad valorem taxes assessed, levied and collected, without limitation as to rate or amount, on all taxable property within the corporate limits of the Town (excluding exemptions as provided by applicable law). Such taxes shall be in addition to all other taxes collected and shall be in an amount sufficient to pay the principal of and interest on the Bonds as the same shall become due. The full faith, credit and taxing power of the Town have been irrevocably pledged to the punctual payment of the principal of and interest on the Bonds as the same shall become due and payable. See "AD VALOREM TAXES" herein.

Payment of the principal of and interest on the Bonds when due will be insured by a financial guaranty bond insurance policy to be issued by _____ (the "Bond Insurer") simultaneously with the delivery of the Bonds. See "MUNICIPAL BOND INSURANCE" herein.

For a complete description of the terms and conditions of the Bonds, reference is made to the proceedings authorizing the issuance of the Bonds. The description of the Bonds and of the documents authorizing and securing the same contained herein constitute summaries of certain provisions thereof, and do not purport to be comprehensive or complete. Reference is made to the Resolution, a copy of which is attached hereto as Appendix B, and to such other documents, copies of which are on file at the offices of the Town, for a more complete description of such provisions.

* Preliminary; subject to change.

PURPOSE OF THE BONDS

The Bonds are being issued to provide funds to (i) pay the costs of a portion of the Project and (ii) pay the costs of issuance of the Bonds, including a premium for municipal bond insurance.

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds from the proceeds of the Bonds:

Sources of Funds

Principal Amount of Bonds	\$16,500,000*
Net Original Issue [Discount] [Premium]	
Total Sources of Funds	\$

Uses of Funds

Deposit to Town of Davie 2006 General
Obligation Bond Construction Account
Costs of Issuance
Municipal Bond Insurance Premium
Underwriter's Discount

Total Uses of Funds

*Preliminary; subject to change.

THE BONDS

Description of the Bonds

The Bonds will bear interest at the rates and mature in the amounts and on the dates as set forth on the cover page of this Official Statement. The Bonds will be dated their date of delivery and will bear interest therefrom payable semi-annually on April 1 and October 1 of each year, commencing October 1, 2006, until maturity U.S. Bank National Association, with a designated corporate trust office in Fort Lauderdale, Florida, is acting as Paying Agent and Bond Registrar for the Bonds.

Redemption Provisions

Optional Redemption. The Bonds maturing on October 1, __ and thereafter shall be subject to redemption prior to their maturity, at the option of the Town on or after October 1, __, as a whole or in part at any time, and if in part as selected by the Town among maturities and by lot within a maturity, at a redemption price of 100% of the principal amount thereof plus accrued interest from the most recent interest payment date to the redemption date.

Mandatory Redemption. The term Bonds maturing on October 1, __ are subject to mandatory sinking fund redemption prior to maturity, in part and selected by lot, at a redemption price of 100% of the principal amount thereof, on the following dates and in the following principal amounts:

Date
(October 1)

Principal Amount

*Maturity

The term Bonds maturing on October 1, ____ are subject to mandatory sinking fund redemption prior to maturity, in part and selected by lot, at a redemption price of 100% of the principal amount thereof, on the following dates and in the following principal amounts:

Date
(October 1)

Principal Amount

*Maturity

The term Bonds maturing on October 1, ____ are subject to mandatory sinking fund redemption prior to maturity, in part and selected by lot, at a redemption price of 100% of the principal amount thereof, on the following dates and in the following principal amounts:

Date
(October 1)

Principal Amount

*Maturity

Notice of Redemption. Notice of redemption is to be given by mailing a copy of the redemption notice by U.S. mail at least thirty days (30) but not more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books maintained by the Bond Registrar, or any successor Bond Registrar appointed by the Town pursuant to the Resolution. Failure to give such notice by mailing to any Bondholder, or any defect therein, shall not affect the validity of the proceedings for the redemption of any Bond or portion thereof with respect to which no such failure or defect has occurred. All such Bonds called for redemption and for the retirement of which funds are duly provided will cease to bear interest on such redemption date.

Book-Entry Only System

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, in the principal amount of each such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all the Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts the Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for

their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or their Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "Street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the Town, subject to any statutory or regulatory requirements as maybe in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Town or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

Registration, Transfer and Exchange

So long as the Book-Entry Only system is in place for the Bonds, the registered owner of the Bonds for all purposes will be Cede & Co. See "Book-Entry Only System" herein. In the event that the Book-Entry Only system is discontinued, the Beneficial Owners shall receive certificated bonds which will be subject to registration of transfer or exchange as set forth in this section. Transfer of any Bond may be registered upon the registration books maintained by the Bond Registrar upon delivery of such Bond to the Bond Registrar together with a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Bond Registrar, duly executed by the Bondholder or his attorney-in-fact or legal representative and written instructions as to the details of the transfer of such Bond. The Bond Registrar shall register the transfer in the registration books and deliver a new registered Bond or Bonds of the same maturity and the same interest rate, in authorized denominations, for the same aggregate principal amount registered in the name of the transferee. The Town and the Bond Registrar may charge the Holder of the Bonds an amount sufficient to reimburse them for any tax, fee or any other governmental charge required with respect to the registration of such transfer.

The Town, the Bond Registrar, and the Paying Agent may deem and treat the registered owner of any Bond as the absolute owner of such Bond for the purpose of receiving payment of the principal of and interest thereon.

SECURITY FOR THE BONDS

The Bonds are payable from ad valorem taxes assessed, levied and collected on all taxable property in the Town (excluding exemptions as required by law) without limitation as to rate or amount. The direct annual property tax provided to pay the Bonds is required to be levied upon all taxable property within the corporate limits of the Town, except property of such nature as may be exempt from taxation under the provisions of the Constitution and laws of the State of Florida (the "State"). The taxes so levied and collected shall be in addition to all other taxes so collected, shall be in an amount sufficient to pay the principal of and interest on the Bonds as the same shall become due and shall be assessed, levied and collected in the same manner and at the same time as other taxes. The proceeds of such tax shall be applied solely to the payment of the principal of and interest on the Bonds. See "AD VALOREM TAXATION" herein.

The full faith, credit and taxing power of the Town are irrevocably pledged to the punctual payment of the principal of and interest on the Bonds as the same shall become due and payable. The Town has covenanted to diligently enforce its right to receive such taxes and to enforce and collect such taxes. The Town has further covenanted that it will not take any action that would impair or adversely affect its rights to levy, collect and receive such taxes, or impair or adversely affect in any manner the pledge made in the Resolution or the rights of the holders of the Bonds.

MUNICIPAL BOND INSURANCE

[To Be Provided]

AD VALOREM TAXATION

Tax Assessment

The laws of the State of Florida provide for a uniform procedure to be followed by all counties, municipalities, school districts and special districts for the levy and collection of ad valorem taxes on real and personal property. The law provides that the county property appraiser of each county shall prepare an assessment roll for all taxing units within the county and shall levy such millage, subject to constitutional limitations, as determined by each taxing unit, and the county tax collector shall collect all ad valorem taxes for all taxing units in the same manner as county taxes are collected. Municipalities are not permitted to levy ad valorem taxes at a rate of more than ten mills for all municipal purposes; however, there is no limitation as to rate or amount of ad valorem taxes levied for the purpose of paying general obligation bonds such as the Bonds.

Real and personal property valuations are determined each year as of January 1 by the county property appraiser's office. State law requires, with certain exceptions, that property be assessed at fair market value; however, \$25,000 of the assessed valuation of a homestead is exempt from taxation for a residence occupied by the owner on a permanent basis and who has filed for and received a homestead exemption. On November 3, 1992, the voters of the State approved an amendment to Article VII, Section 4 of the State Constitution establishing a limitation of the lesser of 3% or the increase in the consumer price index during the relevant year, on the annual increase in assessed valuation of homestead property,

except in the event of a sale of such property during such year, and except as to improvements to such property during that year. Assessments as of January 1, 1995 are subject to the foregoing limitation. The amendment did not alter any caps on millage rates otherwise set forth in the State Constitution. Since the Town has authority to increase the millage levy for general obligation debt such as the Bonds, to the amount necessary to satisfy the related debt service requirements, the limitation on increases in assessed value will not affect the ability of the Town to pay the principal of and interest on the Bonds. The tax on personal property covers only tangible personal property and exempts, among other things, household goods and personal effects and inventory.

The county property appraiser's office prepares the assessment roll and gives notice to each property owner of the proposed taxes. The property owner then has the right to file an appeal with the value adjustment board, which considers petitions relating to assessments and exemptions. The value adjustment board certifies the assessment roll upon completion of the hearings of all appeals so filed. Millage rates are then computed by the various taxing authorities and certified to the county property appraiser who applies the millage rates to the assessment roll. The taxes of all taxing units, including the Town, are billed together by the county tax collector and each property owner is required to pay all such taxes without preference.

Tax Collection

All ad valorem taxes become due and payable on November 1 and become delinquent on the following April 1, at which time they bear interest at 18% per annum until a tax certificate is sold with respect to real property taxes and until paid with respect to personal property taxes. Discounts are allowed for early payment of 4% if paid in November, 3% if paid in December, 2% if paid in January, and 1% if paid in February. All taxes collected are distributed by the county tax collector to the applicable taxing units. It is the tax collector's duty on or before June 1 of each year to advertise and sell tax certificates on real property tax delinquencies extending from the previous April 1. Delinquent taxes may be paid by the property owner prior to sale of tax certificates upon payment of all costs, delinquent taxes and interest at the rate of 18% per annum. The tax certificates must be for an amount not less than the taxes due, plus interest from April 1 to the date of sale at 18% per annum, together with the cost of advertising and expense of the sale. Each tax certificate is awarded to the bidder paying the above amounts who accepts the lowest interest to be borne by the certificate after its sale. If there are no bidders, the county must hold, but not pay for, such tax certificates. Thereafter, the county may sell such tax certificates to the public at any time at the principal amount thereof plus interest at 18% per annum and a fee. With respect to personal property tax delinquencies, such delinquent taxes must be advertised within 45 days after delinquency and, after May 1, the property is subject to warrant, levy, seizure and sale. The proceeds of the sale of the tax certificates are distributed to the respective taxing agencies.

Tax certificates held by persons other than the county may be redeemed and cancelled by any person prior to the time a tax deed is issued upon payment of the face amount of the certificate plus interest, costs and other charges. Holders of tax certificates, other than the county, which have not been redeemed, may at any time after two years but prior to seven years from date of issuance, file an application for a tax deed with the tax collector upon payment of all other outstanding tax certificates on such property plus interest, any omitted taxes plus interest, and delinquent taxes plus interest covering the real property. Thereafter, the property is advertised for public sale at auction to the highest bidder, subject to certain minimum bids. If there are no other bidders, the holder of the tax certificate receives title to the property. If the tax certificate is held by the county and the county has not succeeded in selling it within two years, the county applies for a tax deed upon payment of all applicable costs and fees but not any amount to redeem the certificate. Such property is then also advertised for public sale to the highest bidder, subject to certain minimum bids. If there are no other bidders, the county may purchase the

property for the minimum bid. In the case of unsold property, after seven years the county will take title to such property.

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TOWN OF DAVIE, FLORIDA

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS⁽¹⁾

<u>FISCAL YEAR</u>	<u>TOTAL TAX LEVY</u>	<u>CURRENT TAX COLLECTION</u>	<u>CURRENT TAX COLLECTED</u>	<u>DELINQUENT TAX COLLECTIONS</u>	<u>TOTAL TAX COLLECTIONS</u>	<u>RATIO OF TOTAL TAX COLLECTIONS TO TOTAL TAX LEVY</u>	<u>OUTSTANDING DELINQUENT TAXES</u>	<u>RATIO OF TOTAL DELINQUENT TAXES TO TOTAL TAX LEVY</u>
1995	\$10,127,463	\$10,063,092	99.4%	\$53,383	\$10,116,475	99.9%	\$482,401	4.8%
1996	10,692,663	10,633,023	99.4	52,273	10,685,296	99.9	595,761	5.6
1997	12,320,333	12,149,371	98.6	30,522	12,179,893	98.9	746,351	6.1
1998	13,986,795	13,898,455	99.4	26,194	13,924,649	99.6	787,578	5.6
1999	15,353,024	15,257,581	99.4	18,113	15,275,694	99.5	858,804	5.6
2000	17,639,407	17,523,255	99.3	22,546	17,545,801	99.5	929,706	5.3
2001	19,786,104	19,715,688	99.6	32,769	19,748,457	99.8	920,757	4.6
2002	21,380,015	21,247,535	99.2	29,334	21,276,869	99.5	1,040,258	4.8
2003	23,448,930	23,366,361	99.6	28,889	23,395,250	99.7	1,084,146	4.6
2004	25,727,194	24,738,814	96.1	28,900	23,395,261	90.9	1,161,542	4.5
2005	29,046,375	27,966,970	96.0	30,204	27,997,174	96.4	1,244,372	4.3

(1) SOURCE: Broward County Revenue Collection Division

TOWN OF DAVIE, FLORIDA

**COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT⁽¹⁾
GENERAL OBLIGATION BONDS**

SEPTEMBER 30, 2005

<u>JURISDICTION</u>	<u>NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING</u>	<u>PERCENTAGE APPLICABLE TO TOWN</u>	<u>AMOUNT APPLICABLE TO TOWN</u>
Direct:			
Town of Davie	\$ 27,782,028	100.00%	\$27,782,028
Overlapping:			
Broward County	611,605,000	5.30%	\$32,496,928
Broward School Board	<u>\$ 79,088,087</u>	5.30%	<u>\$ 4,178,881</u>
Total	<u>\$718,475,115</u>	—	<u>\$64,457,838</u>

⁽¹⁾ General obligation bonds must be approved by referendum. The Town of Davie has no debt limitation.

SOURCE: Town of Davie, Florida

TOWN OF DAVIE, FLORIDA

PROPERTY TAX RATES

DIRECT AND OVERLAPPING GOVERNMENTS⁽¹⁾

LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>TOWN OF DAVIE</u>	<u>BROWARD COUNTY</u>	<u>BROWARD SCHOOL BOARD</u>	<u>SOUTH FLORIDA WATER MANAGEMENT</u>	<u>CHILDREN'S SERVICES</u>	<u>SOUTH BROWARD HOSPITAL DISTRICT</u>	<u>FLORIDA INLAND NAVIGATION DISTRICT</u>	<u>TOTAL</u>
1996	5.5378	7.7524	9.9400	0.6720	--	2.1132	0.0380	26.0534
1997	5.8378	7.8380	9.9745	0.6970	--	2.1132	0.0500	26.5105
1998	5.7589	7.5710	9.7256	0.6970	--	2.1132	0.0470	25.9127
1999	6.0089	7.5710	9.1283	0.6970	--	2.0831	0.0440	25.5323
2000	6.0089	7.5250	8.9553	0.6970	--	1.9939	0.0410	25.2211
2001	5.7911	7.4005	8.7541	0.6970	0.3055	1.8694	0.0385	24.8561
2002	5.7442	7.3650	8.8825	0.6970	0.3316	1.7336	0.0385	24.7924
2003	5.6184	7.1880	8.4176	0.6970	0.3920	1.7336	0.6885	24.7347
2004	5.6297	7.0230	8.2695	0.6970	0.4231	1.5761	0.6885	24.3069
2005	5.5502	6.7830	8.0623	0.6970	0.4231	1.4500	0.0385	23.0041

⁽¹⁾ Basis for property tax rates is per \$1,000 assessed value.

SOURCE: Broward County Revenue Collection Division

TOWN OF DAVIE, FLORIDA

**PRINCIPAL TAXPAYERS
SEPTEMBER 30, 2005**

<u>TAXPAYER</u>	<u>TYPE OF BUSINESS</u>	<u>2005 ASSESSED VALUATION</u>	<u>PERCENTAGE OF TOTAL ASSESSED VALUATION</u>
Andrx Pharmaceutical Inc.	Pharmaceutical	\$ 61,819,779	0.92%
Florida Power and Light Co.	Utility	42,553,842	0.63%
Equity One, Inc.	Mortgage Loan Company	34,017,950	0.50%
Palm Trace Landings, LTD	Housing	28,509,970	0.42%
Hacienda Cove LLC	Housing	28,470,570	0.42%
City National Bank	Bank	26,183,244	0.39%
Alliance Rt Limited	Property Management	24,508,766	0.36%
Florida Auto Auction	Auto Sales	23,844,280	0.35%
Konover & Associates South	Housing	18,123,690	0.27%
Ramco/Shenandoah LLC	Insurance	<u>16,412,260</u>	<u>0.24%</u>
TOTAL		<u>\$304,444,351</u>	<u>4.51%</u>

SOURCE: Broward County Revenue Collection Division – List of Top Taxpayers.

TOWN OF DAVIE, FLORIDA

**ASSESSED AND ESTIMATED ACTUAL VALUE OF ALL TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year	<u>Real Property</u>		<u>Personal Property</u>		<u>Total</u>		Ratio of Total Assessed Value to Total Estimated Actual Value	Exemptions Real Property ⁽¹⁾	Taxable Value
	<u>Assessed Value ⁽¹⁾</u>	<u>Estimated Actual Value</u>	<u>Assessed Value ⁽¹⁾</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>			
1995	2,532,275,130	2,610,384,450	201,308,976	201,308,976	2,733,584,106	2,811,693,426	97.2%	612,739,522	2,120,844,584
1996	2,685,825,500	2,839,139,006	201,885,245	213,409,350	2,887,710,745	3,052,548,356	94.6%	649,968,442	2,237,742,303
1997	2,909,679,640	2,984,286,810	214,912,128	220,422,695	3,124,591,768	3,204,709,505	97.5%	702,221,635	2,422,370,133
1998	3,125,419,230	3,147,451,390	224,706,394	226,290,427	3,350,125,624	3,373,741,817	99.3%	662,983,850	2,687,141,774
1999	3,363,676,250	3,425,332,230	226,755,470	230,911,884	3,590,431,720	3,656,244,114	98.2%	686,332,720	2,904,099,000
2000	3,783,319,830	3,772,003,818	231,035,298	230,344,265	4,014,355,128	4,002,348,083	100.3%	751,813,790	3,262,541,338
2001	4,226,479,170	4,402,582,468	265,237,253	276,288,805	4,491,716,423	4,678,871,273	96.0%	788,620,150	3,703,096,273
2002	4,625,896,210	4,508,095,257	312,361,327	309,268,640	4,938,257,537	4,817,363,897	101.0%	829,896,150	4,108,361,387
2003	5,224,952,600	5,267,089,315	323,272,692	325,879,729	5,548,225,292	5,592,969,044	99.2%	892,127,990	4,656,097,302
2004	5,825,332,670	5,739,244,010	370,195,666	364,724,794	6,195,528,336	6,103,968,804	101.50%	965,731,300	5,229,797,036
2005	6,751,654,720		356,144,412		7,107,799,132			1,053,945,180	6,053,853,952

⁽¹⁾Source: Broward County Property Appraiser.

GENERAL INFORMATION REGARDING THE TOWN

General

The Town of Davie, Florida (the “Town”) is located in the southern portion of Broward County, in southeastern Florida. The Town was incorporated in 1961 and operates under its own charter, which was adopted in 1961. The Town has a Town Administrator-Council form of government. The Mayor is elected at large for a three-year term and serves as chairperson of the Town Council, and each of the other four council members is elected from single member districts for a three-year term. The Town Administrator is appointed by and serves at the pleasure of the Town Council.

Primarily a residential community, the Town contains approximately 34.5 square miles. Commercial development within the Town consists of shopping facilities, fine restaurants, tourist lodgings and light industry. The Town is noted for its unique frontier atmosphere. Rodeo events and country music festivals are held several times during the year.

The population of the Town has grown from less than 2,000 residents in 1960, to 20,515 in 1980 to its current estimated population of 81,845 in 2005. The rate of growth in population in the past decade has been over 60%.

The Town provides a full range of municipal services, including fire and police protection, water and sewer services, solid waste disposal, and park and recreation facilities. Within the Town are 11 elementary schools and four secondary schools. Also situated in the Town is the unique South Florida Educational Center, which includes Nova Southeastern University, a four-year university, the 152 acre campus of Broward Community College, and branches of Florida Atlantic University and Florida International University, which offer four-year and advanced degrees. Also located in the educational complex are the Broward County Schools Nova Research and Development Program (which includes a nursery, elementary, middle and high school), the William T. McFatter Vocational-Technical Center, the Miami Dolphins training facility, the Broward Fire Academy, the Criminal Justice Institute, the Instructional Television Center, a research and educational center for the University of Florida, an office of the Division of Forestry of the State of Florida and the Broward County Cooperative Extension Service. The diversity in the complex provides a unique system of educational offerings and specialized training for residents of the Town and others from all over the State of Florida. It is estimated that 40,000 students and faculty a day visit the facilities.

Former Town Administrator

On October 18, 2005, the Council suspended its Town Administrator, Christopher Kovanes (“Kovanes”), following warrants for his arrest issued by the Florida Department of Law Enforcement (“FDLE”) alleging money laundering, grand theft and organized fraud. FDLE alleged that Kovanes stole \$362,329 from the Town by depositing into his personal bank account Town checks made payable to a corporation of which Kovanes is the sole officer and registered agent.

On January 13, 2006, FDLE arrested Kovanes a second time alleging that he stole another \$68,927 from the Town in the same manner using a different corporation of which Kovanes is the president. The Council fired Kovanes on January 18, 2006 and appointed Kenneth S. Cohen, who had been the Assistant Town Administrator, as the Acting Town Administrator.

The Council has taken several steps to address these incidents. The council contracted with Mayer Hoffman McCann to conduct a forensic audit to suggest ways to prevent fraud within the Town

government, and with Moore Stephens Lovelace to review the Town's purchasing and bidding practices. It is also conducting a search for a new Town Administrator.

The Town believes that its insurance coverage will reimburse most of the money that was stolen, and that the theft will not adversely affect the financial condition of the Town.

TOWN OF DAVIE, FLORIDA
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>POPULATION</u> ⁽¹⁾	<u>PER CAPITA INCOME BROWARD COUNTY</u> ⁽²⁾	<u>MEDIAN AGE</u> ⁽²⁾	<u>PUBLIC SCHOOL ENROLLMENT</u> ⁽³⁾	<u>UNEMPLOYMENT RATE</u> ⁽⁴⁾
1995	54,611	16,747	32.0	12,811	5.1
1996	59,393	19,737	35.2	13,147	5.3
1997	61,182	26,192	38.9	13,692	4.1
1998	61,799	21,491	38.0	16,065	4.1
1999	66,985	22,433	36.6	16,884	3.7
2000	67,529	22,882	37.0	17,521	4.2
2001	75,720	22,755	37.0	18,193	4.4
2002	78,688	23,383	35.6	16,285	5.7
2003	79,763	26,039	36.4	15,887	4.1
2004	81,845	26,251	35.9	15,568	4.5
2005	82,579	25,934	36.2	15,987	3.0

⁽¹⁾ Source: Local Government Financial Information Handbook.

⁽²⁾ Source: U.S. Census Bureau.

⁽³⁾ Source: Broward County School Board 20th Day Membership Report.

⁽⁴⁾ Source: Florida Department of Labor and Employment Security.

DEBT SERVICE REQUIREMENTS

The table below shows the debt service payable on the Bonds.

Fiscal Year	Principal	Interest	Total Debt Service
2006			
2007			
2008			
2009			
2010			
2011			
2012			
2013			
2014			
2015			
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			

Source: Town of Davie, Florida, Finance Department.

LITIGATION

There is no litigation or other proceedings, of any nature now pending with regard to which the Town has received service of process or, to the actual knowledge of the Town, threatened against the Town, with regard to which an unfavorable decision, ruling or finding (i) would materially and adversely affect the validity or enforceability of the Bonds, or (ii) would have a material adverse effect on the levy and collection of the ad valorem taxes pledged to the payment of the Bonds.

TAX TREATMENT

The Internal Revenue Code of 1986, as amended (the "Code") includes requirements which the Town must continue to meet after the issuance of the Bonds in order that interest on the Bonds not be included in gross income for federal income tax purposes. The Town's failure to meet these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The Town has covenanted in the Bond Resolution to take all actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds. The opinion of Bond Counsel will be based upon and assume the accuracy of certain representations and certifications and compliance with certain covenants of the Town to be contained in the transcript of proceedings which are intended to evidence and assure that interest on the Bonds is and will continue to be excluded from gross income for federal income tax purposes.

In the opinion of Bond Counsel, assuming continuing compliance by the Town with the tax covenants referred to above, under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on certain corporations under the Code. Bond Counsel is further of the opinion that the Bonds and the interest thereon are exempt from all present intangible personal property taxes imposed pursuant to Chapter 199, Florida Statutes.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of the Bonds. Prospective purchasers of Bonds should be aware that the ownership of Bonds may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry Bonds or, in the case of a financial institution, that portion of the owner's interest expenses allocable to interest on a Bond, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by 15 percent of certain items, including interest on the Bonds, (iii) the inclusion of interest on Bonds in the earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of interest on Bonds in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year and (v) interest on the Bonds is taken into account in determining whether recipients of Social Security and Railroad Retirement benefits must include a portion of those benefits in gross income.

ORIGINAL ISSUE DISCOUNT

The initial offering price of the Bonds maturing on October 1 in the years _ through and including _ and the Bonds maturing on October 1, ____ and October 1, ____ (the "Discount Bonds") is less than the stated principal amounts thereof. The difference between the principal amount of the Discount Bonds and the initial offering price to the public, excluding bond houses and brokers, at which price a substantial amount of such Discount Bonds of the same maturity was sold, is "original issue discount." Original issue

discount represents interest which is excluded from gross income for federal income tax purposes; however, such interest is taken into account for purposes of determining the alternative minimum tax imposed on corporations and may result in the collateral federal tax consequences described above under "TAX EXEMPTION" in the year of accrual. Consequently, prospective purchasers of Discount Bonds should be aware that the accrual of original issue discount in each year may result in alternative minimum tax liability or other collateral tax consequences although the owner of such Discount Bonds may not have received cash in such year. Original issue discount will accrue over the term of a Discount Bond at a constant interest rate compounded on interest payment dates. A purchaser who acquires a Discount Bond in the initial offering at a price equal to the initial offering price thereof will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period such purchaser holds such Discount Bond and will increase its adjusted basis in such Discount Bond by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Bond. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Prospective purchasers of Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of Discount Bonds and with respect to the state and local tax consequences of owning and disposing of Discount Bonds.

ORIGINAL ISSUE PREMIUM

The Bonds maturing on October 1 in the years ____ through and including ____ and the Bonds maturing on October 1, ____ and October 1, ____ (the "Premium Bonds") were offered and sold to the public at an issue price in excess of their stated redemption price (the par amount) at maturity. This excess constitutes amortizable bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of such Premium Bond, compounded semiannually. No portion of such bond premium is deductible by the owner of a Premium Bond. The tax basis of an owner of a Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership for purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond. Owners of Premium Bonds should consult their own tax advisers as to the determination for federal income tax purposes of the amount of amortizable bond premium properly accruable each year with respect to the Premium Bonds and as to other federal tax consequences and the treatment of amortizable bond premium for state and local tax purpose.

UNDERWRITING

The Bonds are being purchased by the Underwriter, subject to certain terms and conditions set forth in the purchase contract between the Town and the Underwriter, including the approval of certain legal matters by Bond Counsel and the existence of no material adverse change in the condition of the Town from that set forth in the Official Statement.

The Bonds are being purchased at a purchase price of \$_____ (representing a principal amount of \$16,500,000 plus net original issue [premium] [discount] of \$_____ and less an Underwriter' discount of \$_____). The Bonds are offered for sale to the public at the yields set forth on the cover page of this Official Statement. The Bonds may be offered and sold to certain dealers at prices lower than such offering prices, and such public offering prices may be changed from time to time by the Underwriter.

FINANCIAL ADVISOR

Dunlap & Associates, Inc., Winter Park, Florida is serving as financial advisor to the Town and has acted in such capacity with respect to the sale and issuance of the Bonds. The Financial Advisor assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring and issuance of the Bonds.

RATINGS

Moody's Investors Services, Inc. ("Moody's"), Standard & Poor's Rating Services ("S&P") and Fitch Ratings ("Fitch") have assigned ratings to the Bonds of "Aaa", "AAA" and "AAA" respectively with the understanding that, upon delivery of the Bonds, the financial guaranty insurance policy will be issued by the Bond Insurer. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Moody's Investors Services, Inc., 99 Church Street, New York, New York 10007; Standard & Poor's Rating Services, 55 Water Street, 38th Floor, New York, New York 10041; and Fitch Ratings, One State Street Plaza, New York, New York 10004. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is not assurance that any such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agency concerned, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of any such ratings may have an adverse effect on the market price of the Bonds.

LEGAL MATTERS

Certain legal matters incident to the authorization and issuance of the Bonds are subject to the approval of Adorno & Yoss, LLP, Miami, Florida, Bond Counsel, whose approving opinion will be available at the time of delivery of the Bonds. The proposed form of such opinion is attached hereto as Appendix E. Certain legal matters will be passed upon for the Town by Monroe Kiar, Esq., Town Attorney, and Adorno & Yoss, LLP, Miami, Florida, as Disclosure Counsel. Certain legal matters will be passed upon and for the Underwriter by Ruden, McClosky, Smith, Schuster & Russell, P.A., Fort Lauderdale, Florida Counsel to the Underwriter.

CONTINUING DISCLOSURE

In order to enable the Underwriter to comply with Rule 15c2-12(b)(5) of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934 (the "Rule"), the Town will agree (such covenants being herein referred to as the "Undertaking") to provide continuing disclosure for the benefit of the registered Owners from time to time of the Bonds. The Undertaking will provide that the Town will provide to each nationally recognized municipal securities information repository ("NRMSIR") and to the appropriate state information depository ("SID"), if any, within two hundred and seventy (270) days of the end of each fiscal year of the Town, annual financial information for the Town. The annual financial information will be provided for each fiscal year of the Town, commencing with the first fiscal year ending after the date of issuance of the Bonds, and will include audited financial statements for the preceding fiscal year. Audited financial statements of the Town, if not available at the time the annual financial information is provided, will be provided to each NRMSIR and the SID, if any, when available. The financial statements of the Town are to be prepared in conformity with generally accepted accounting principles ("GAAP"). The Undertaking will also provide that the Town will file in a timely manner, with the Municipal Securities Rulemaking Board (the "MSRB"), notice of (a) a failure to

provide required annual financial information on or before the date specified in the Undertaking or (b) the occurrence of any of the following events with respect to the Bonds, if material:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions or events affecting the tax-exempt status of the security;
- (vii) modifications to rights of security holders;
- (viii) bond calls;
- (ix) defeasances;
- (x) release, substitution or sale of property securing repayment of securities; and
- (xi) rating changes.

The Town will also file with each NRMSIR and SID, if any, updates to the information pertaining to the Town in the tables under the caption “AD VALOREM TAXATION,” in a form generally consistent with the presentation of such information in this Official Statement. An update of such information and the financial information of the Town may be satisfied by providing a copy of the Town’s comprehensive annual financial report to the extent the information presented therein complies with the requirements set forth above.

The Town has never failed to comply with the disclosure obligations of the Rule with respect to any of its bonds subject to the Rule. **[IS THIS STILL ACCURATE?]**

FINANCIAL STATEMENTS

The audited financial statements of the Town for the Fiscal Year ended October 30, 2004 included herein as Appendix A have been audited by Grau & Company, Certified Public Accountants, Boca Raton, Florida, as independent auditors, and are an integral part of this Official Statement.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Florida law requires that the Town make a full and fair disclosure of any bonds or other debt obligations which it has issued or guaranteed and which are or have been in default as to principal or interest at any time after December 31, 1975 (including bonds or other debt obligations for which it has served as a conduit issuer). The Town is not and has not been in default as to principal and interest on bonds or other debt obligations which it has issued as the principal obligor or has guaranteed.

MISCELLANEOUS

All of the summaries or portions of the Resolution, the Act and any other documents described herein are made subject to all of the detailed provisions of such acts or documents, to which reference is hereby made for further information. The foregoing summaries do not purport to be complete statements of any of the provisions of such acts or documents.

CERTIFICATE CONCERNING THE OFFICIAL STATEMENT

Concurrently with the delivery of the Bonds, the Town will furnish its certificate, executed by the Mayor, to the effect that, to the best of his knowledge, this Official Statement as of its date and as of the date of the delivery of the Bonds, does not contain an untrue statement of a material fact and does not omit any material fact which should be included therein for the purpose for which the Official Statement is to be used, or which is necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

[Remainder of this page intentionally left blank]

This Official Statement has been duly executed and delivered by the Mayor and the Acting Town Manager of the Town of Davie, Florida.

TOWN OF DAVIE, FLORIDA

By _____
Tom Truex, Mayor

By _____
Kenneth S. Cohen, Acting Town Administrator

APPENDIX A

**GENERAL PURPOSE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2004**

APPENDIX B
THE RESOLUTION

APPENDIX C

SPECIMEN COPY OF MUNICIPAL BOND INSURANCE POLICY

APPENDIX D
FORM OF APPROVING OPINION OF BOND COUNSEL

August __, 2006

The Town Council of the
Town of Davie, Florida

Re: \$16,500,000 Town of Davie, Florida
 General Obligation Bonds, Series 2006

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Town of Davie, Florida (the "Town") of its \$16,500,000 General Obligation Bonds, Series 2006 initially issued and delivered on this date (the "Bonds") pursuant to the Constitution and laws of the State of Florida, including particularly Article VII, Section 12 of the Constitution, Part II of Chapter 166, Florida Statutes, as amended, the Charter of the Town and other applicable provisions of law (collectively, the "Act") and Resolution Nos. R-2003-3 adopted on January 2, 2003 and R-2006-__ adopted on July 19, 2006 (collectively, the "Bond Resolution").

We have examined the Act, the Resolution and such certified copies of the proceedings of the Town and of such other documents as we have deemed necessary to render this opinion. As to the questions of fact material to our opinion, we have relied upon representations of the Town contained in the Bond Resolution and in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify such representations by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

1. The Town is a municipal corporation organized and existing under the Constitution and laws of the State of Florida, with the power to adopt the Bond Resolution, to perform its obligations thereunder and to issue the Bonds.
2. The Bond Resolution has been duly adopted by the Town and constitutes a valid and binding obligation of the Town, enforceable in accordance with its terms.
3. The issuance and sale of the Bonds has been duly authorized by the Town. The Bonds constitute valid and binding general obligations of the Town, payable from the levy of ad valorem taxes on all taxable property within the Town, and the Town has pledged its full faith, credit and taxing power to the payment of the Bonds.
4. Under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds is excluded from gross income for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on corporations under the Internal Revenue

Code of 1986, as amended (the “Code”). Ownership of the Bonds may result in collateral federal tax consequences to certain taxpayers. We express no opinion regarding other federal tax consequences resulting from the ownership, receipt or accrual of interest on, or disposition of, the Bonds.

The opinion set forth in the preceding paragraph assumes continuing compliance by the Town with certain requirements of the Code that must be met after the date of the issuance of the Bonds in order for interest on the Bonds to be excluded from gross income for federal income tax purposes. The failure to meet these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. The Town has covenanted in the Bond Resolution to take the actions necessary to comply with such requirements.

5. The Bonds and the interest thereon are exempt from all present intangible personal property taxes imposed pursuant to Chapter 199, Florida Statutes.

This opinion is qualified to the extent that the rights of the holders of the Bonds and the enforceability of the Bonds and the Resolution may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally, now or hereafter in effect, and by the exercise of judicial discretion in appropriate cases in accordance with equitable principles.

Respectfully submitted,

ADORNO & YOSS, LLP